

San Bruno Train Station, 1908



Posy Parade, 1954



San Bruno City Limit, 1950



Then

and

Now



San Bruno Caltrain Station, 2014



Posy Parade, 2013



San Bruno City Limit, 2012



100 Years of Progress

City of San Bruno, California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015

Prepared by the Finance Department

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CITY OF SAN BRUNO, CALIFORNIA

TABLE OF CONTENTS FOR THE YEAR ENDED JUNE 30, 2015

Page

INTRODUCTORY SECTION:

Letter of Transmittal	i
Directory of Officials	iv
Organizational Chart	v
GFOA Certificate of Achievement	vi

FINANCIAL SECTION:

Independent Auditor's Report	1
Management's Discussion and Analysis	4

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position	21
Statement of Activities	22

Governmental Funds:

Balance Sheet	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	28
Reconciliation of the Fund Basis Balance Sheet to Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statements of Activities	32
Reconciliation of the Expenditures of the Governmental Funds Statements to the Expenses of the Government-Wide Statement of Activities	33

Proprietary Funds:

Statement of Net Position	34
Statement of Revenues, Expenses, and Changes in Net Position	36
Statement of Cash Flows	38

Fiduciary Funds:

Statement of Net Position	40
Statements of Revenues, Expenses and Changes in Fund Net Position	41

Notes to Basic Financial Statements	42
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CITY OF SAN BRUNO, CALIFORNIA

TABLE OF CONTENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Page</u>
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan.....	90
Schedule of Pension Contributions – Miscellaneous Plan.....	91
Schedule of Proportionate Share of the Net Pension Liability – Safety Plan	92
Schedule of Pension Contributions – Safety Plan.....	93
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
General Fund.....	94
Capital Improvement Project Reserve Special Revenue Fund.....	95
Emergency Disaster Reserve Fund	96
Measure A Fund.....	97
Disaster Recovery Fund.....	98
Note to Required Supplementary Information	99
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	106
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual:	
Street Improvement Capital Projects Fund	110
In-lieu Special Revenue Fund.....	111
Agency on Aging Special Revenue Fund	112
Federal and State –Grants Special Revenue Fund	113
Gas Tax Special Revenue Fund	114
Library Special Revenue Fund.....	115
Police Asset Seizure Special Revenue Fund.....	116
Safety Augmentation Special Revenue Fund.....	117
Police Special Revenue Fund.....	118
SB 322 Recycling/Litter Clean-up Special Revenue Fund	119
Restricted Donations Special Revenue Fund	120
Streets Special Revenue Fund.....	121
Traffic Safety Special Revenue Fund	122
City as Successor Housing Agency Special Revenue Fund.....	123
Capital Projects Fund – General	124
Debt Service Fund – General	125
Combining Statement of Fund Net Position – Internal Service Funds.....	126
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	128
Combining Statement of Cash Flows – Internal Service Funds	130
Combining Statement of Net Position – Fiduciary Funds	132
Combining Statement of Changes in Net Position – Fiduciary Funds	133

CITY OF SAN BRUNO, CALIFORNIA

TABLE OF CONTENTS FOR THE YEAR ENDED JUNE 30, 2015

Page

STATISTICAL SECTION:

Net Position by Component	135
Changes in Net Position	136
Fund Balances, Governmental Funds	139
Changes in Fund Balances, Governmental Funds	140
Assessed Value and Actual Value of Taxable Property	141
Direct and Overlapping Tax Rates	142
Principal Property Taxpayers	143
Schedule of Top 40 Retail Businesses	144
Property Tax Levies and Collection	145
Ratios of Outstanding Debt by Type	146
Overlapping Debt	147
Legal Debt Margin Information	148
Pledged Revenue Coverage	149
Demographic and Economic Statistics	150
Principal Employers	151
Full-time Equivalent City Employees by Function/Program	152
Operating Indicators by Function/Program	153
Capital Asset Statistics by Function/Program	154

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**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015
DECEMBER 28, 2015**



December 28, 2015

To the Honorable Mayor, Members of the City Council, and Citizens of San Bruno:

It is my pleasure to submit for your information the Comprehensive Annual Financial Report (CAFR) of the City of San Bruno (City) for the fiscal year ended June 30, 2015. The City complies and assists in the preparation of the annual financial report to provide interested parties with reliable information concerning the financial condition and results of operations for the City.

Responsibility for the accuracy of the data and fairness of presentation, including all footnotes and disclosures, rests with the City. Management has established a thorough internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile necessary information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal control should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the certified public accounting firm of Vavrinek, Trine, Day & Co., LLP. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require that agencies expending more than \$500,000 in federal monies, are required to have the independent auditor report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. The City did not expend the minimum amount of federal awards and was thus not subject to a Single Audit Report.

Management has provided a narrative introduction, overview, and analysis, to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015
DECEMBER 28, 2015**

Profile of the City of San Bruno

The City of San Bruno is located on the San Francisco Peninsula in San Mateo County, approximately 12 miles south of San Francisco and lies immediately adjacent to the San Francisco International Airport. The total land area of San Bruno is 5.5 square miles and serves a residential population of 44,409 as of June 30, 2015.

San Bruno is a general law city incorporated in 1914 that operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City has four City Council members elected at large for staggered four-year terms and the Mayor is elected for a two-year term. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and appointing department directors. The City Clerk is elected to a four-year term and serves as elections officer and clerk to the City Council and City. The City Treasurer is also elected to a four-year term and manages the City's investment portfolio. However, with the recent passage of Measures U and R, effective November 2017 both the City Clerk and City Treasurer will become City Manager appointed positions.

The City provides a full range of services including police, fire, public works services including streets, water, sewer, and stormwater, community services including parks maintenance, recreation, senior, and library services, and a cable television enterprise. General government activities include city administration, legal services, finance, human resources, and technology. The City employs 249 full-time equivalent positions.

The annual budget serves as the foundation for the City's financial planning and control. All departments and divisions are required to submit requests for appropriations to the City Manager. These requests are used as the starting point for developing a proposed budget. The City Manager and Finance Director then present the proposed budget to the City Council for review prior to June 1st of each fiscal year. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget by no later than June 30th, the close of the City's fiscal year.

The City Council exercises budgetary control at the fund level. Quarterly financial reports are presented to the City Council to assess and evaluate budget performance during the year. Budget amendments requiring an increase in appropriations require approval by the City Council and are done as needed during the course of the year.

Local Economy and Financial Overview

The City of San Bruno was severely impacted by what has been termed the "Great Recession". Now several years past the technical end of the recession, economically sensitive revenues are now returning to pre-recession levels. The City is projecting that regional economic growth will continue at a moderate pace over the next couple of years. The City's unemployment rate decreased by 1.6% from the prior year to 3.1%. This job growth has led to rising home prices and a significant increase in commercial and residential development activity.

The City's geographic location also has a significant impact on its economic position. The City is located at the intersection of three major interstate freeways (Highway 101, Interstate 380, and Interstate 280), making the City easily accessible from San Francisco to the north and from Silicon Valley to the south. The City also has a Bay Area Rapid Transit station and Caltrain station located within its limits, making it readily accessible via public transportation. In addition, the San Francisco International Airport is immediately adjacent to the City to

**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015
DECEMBER 28, 2015**

the east, making it a popular destination for business travelers, and tourists. These attributes make San Bruno a popular location for residents, businesses, and retailers.

Financial Policies and Planning

The City's long-term financial policies place an emphasis on growing its reserves to ensure the City has adequate funds available to meet future needs. Through its prudent fiscal management and use of budgetary controls, the City has managed to grow its reserves during the past several years despite the economic downturn. The City has a formal policy to limit the use of one-time/non-recurring revenues to balance the budget and instead directs these funds to reserves whenever feasible. The City Council approved the City's first formal Reserve Policy on January 22, 2013.

The City developed a five-year Capital Improvement Program (CIP) plan detailing specific budgeted capital projects. Each of the projects are consistent with the overall goals and principles of the City Council. Numerous CIP projects were in process or completed during the fiscal year to improve the City's facilities, parks, stormwater drainage, water and wastewater infrastructure, and maintenance of streets.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Bruno for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports and is valid for a period of one year.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Special acknowledgement is due to Darlene Wong, Accounting Manager and Helen Yu-Scott, Financial Services Manager, whose diligent work effort to maintain the City's financial records with the utmost accuracy and transparency, make the preparation of the CAFR possible. We would like to express our appreciation to the City Manager and City departments for their assistance in providing data necessary to prepare this report. Credit also must be given to the Mayor and City Council for their diligent support for maintaining the highest standards of professionalism in the management of the City of San Bruno's finances.

Respectfully submitted,



Angela Kraetsch
Finance Director

**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015
DECEMBER 28, 2015**

**CITY OF SAN BRUNO
DIRECTORY OF OFFICIALS**

ELECTED OFFICIALS

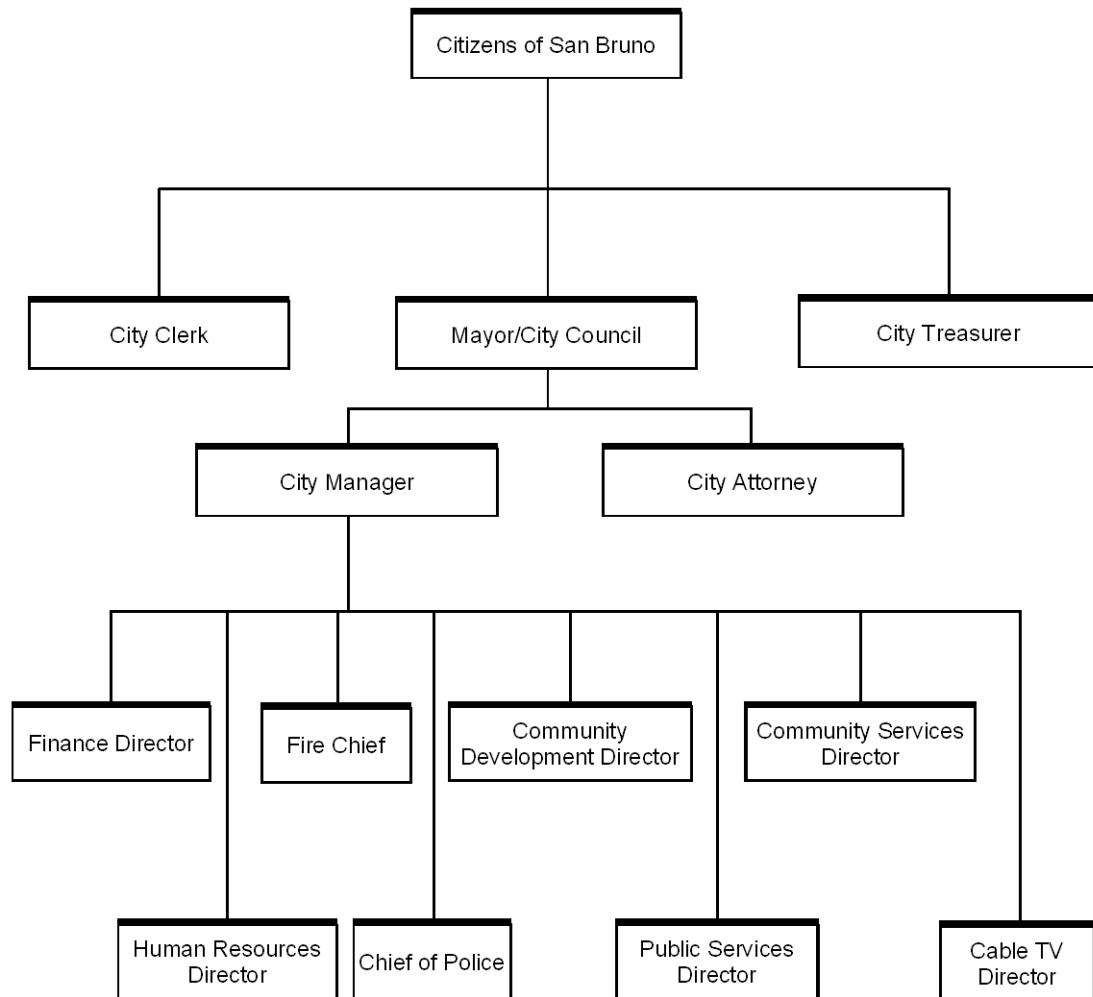
Mayor.....	Jim Ruane
Vice Mayor.....	Michael Salazar
Council Member.....	Irene O’Connell
Council Member.....	Ken Ibarra
Council Member.....	Rico E. Medina
City Clerk.....	Carol Bonner
City Treasurer.....	John Marty

ADMINISTRATIVE PERSONNEL

City Manager.....	Connie Jackson
Assistant City Manager.....	Tami Yuki
City Attorney.....	Marc Zafferano
Finance Director.....	Angela Kraetsch
Community Development Director.....	David Woltering
Community Services Director.....	Kerry Burns
Deputy Fire Chief.....	Dave Downing
Police Chief.....	Ed Barberini
Public Services Director.....	Jimmy Tan (Acting)
Cable Director.....	Steve Firpo (Acting) Al Johnson (Acting)

**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015
DECEMBER 28, 2015**

CITY OF SAN BRUNO





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of San Bruno
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of San Bruno
San Bruno, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno (City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We have previously audited the City's basic financial statements for the year ended June 30, 2014. In our report we expressed an unmodified opinion on financial statements in our report dated December 29, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

As discussed in Note 17 to the financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, effective July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability, pension contributions for the miscellaneous plan, proportionate share of the net pension liability for the safety plan, pension contributions for the safety plan and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Statements and Schedules, the Introductory and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial

statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Statements and Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 28, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

The Management's Discussion and Analysis (MD&A) provides an overview of the City of San Bruno's activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should review the discussion and analysis in conjunction with the basic financial statements, as well as the notes to the financial statements to enhance their understanding of the City's financial statements.

Financial Highlights

- During fiscal year 2014-15, the City implemented Government Accounting Standard Board (GASB) Statements No.68 and No.71 which required the recording of net pension liability and pension related deferred inflows and outflows. See Note 17 for details of this adjustment.
- The City's government-wide net position decreased by \$49.3 million during 2014-15, bringing the total net position to \$79 million. The decrease in net position is primarily the result of restatement of Net pension liabilities derived from implementation of GASB 68 reducing the total net position by \$63.3 million. Of government-wide net position, \$104.7 million is invested in capital assets, \$16.6 million is restricted for specific use, and the balance of \$-42.3 million is unrestricted for the City's operations and capital investments.
- General Fund fund balance increased by \$1.0 million bringing the total to \$11.9 million. The growth in property tax, transient occupancy tax, business license revenues, one-time revenue such as excess ERAF tax received from the County, and allocations from the Redevelopment Property Tax Transfer Funds contributed to this improvement. The healthy surplus allowed the City to continue to work towards funding its reserves at established target levels. See Note 16 for further details.
- The City's governmental activities expenses were \$45.9 million. Expenses were offset by charges for services of \$7.9 million, operating grants and contributions of \$11.4 million, and capital grants and contributions of \$0.4 million for a net cost to general revenues (taxes and investment income) of \$26.1 million. Governmental activities general revenues totaled \$34.2 million. Total general governmental activities amounted to an increase in the change in net position of \$6.3 million (revenues greater than expenses) ending with a net position of \$63 million before restatement of \$-52.3 million due to the implementation of GASB 68.
- Business-type activities expenses of \$31.6 million were offset by charges for services totaling \$37.4 million. Combined with non-program revenues totaling \$0.2 million and transfers in from governmental funds of \$1.8 million, net position increased by \$7.8 million before pension restatement.
- The City Council adopted a reserve policy on January 22, 2013 to support their commitment to ensuring financial stability and sustainability of operations during times of fiscal constraint and emergencies. As of June 30, 2015 the reserve fund balances amount to: General Fund Reserve, \$10.0 million, General Fund Contingency Fund, \$1.5 million, Emergency Disaster Reserve, \$3.0 million, Capital Improvement/One-Time Initiative Reserve, \$7.2 million, Central Garage Reserve, \$0.2 million, Building and Facilities Reserve, \$0.3 million, and Technology Reserve, \$0.2 million.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City consist of general government, public safety, public works, highways and streets, parks and recreation, library and community development. The business-type activities of the City include water, stormwater, wastewater and cable television.

The government-wide financial statements can be found on pages 21 and 22 of this report.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, CIP Reserve, Emergency Disaster Reserve, Measure A Transportation Tax, Disaster Recovery, and the Street Improvement Capital Projects Funds, all of which are considered to be major

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund and most governmental funds. A budgetary comparison statement has been provided for all major and non-major funds (where budgets are adopted) in governmental activities to demonstrate compliance with this budget.

The governmental fund financial statements can be found on page 26 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water, stormwater, wastewater and cable television.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, self-insurance, general equipment reserve, technology development, and facilities maintenance activities. Because these services predominantly benefit governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for all of the City's proprietary funds as they are all considered to be major funds by the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary financial statements. More detailed information for the internal service funds is provided in the form of combining statements elsewhere in the report.

The proprietary fund financial statements can be found on page 34 of this report.

Fiduciary funds. Trust and agency funds are fiduciary funds that account for assets held by the City in a purely custodial capacity. The reporting entity includes three agency funds which are the Project Development Fund, San Bruno Garbage Company Fund, and the San Bruno Community Foundation Fund. Since agency funds are custodial in nature, (i.e. assets equal liabilities) they do not involve the measurement of results of operations. For this reason, fiduciary funds are not reflected in the government-wide financial statements.

In addition to agency funds, the Successor Agency to the San Bruno Redevelopment Agency Trust Fund was created as a result of the California Supreme Court decision on December 29, 2011 upholding ABx1 26, which eliminated all redevelopment agencies in California and created a process for winding down their operations. Unlike agency funds, trust funds report an "income statement" referred to as statement of revenues, expenses, and changes in fund net position.

The fiduciary fund financial statements can be found on page 40 of this report.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on page 42 of this report.

Required and Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

obligation to provide pension benefits to its employees. Required supplementary information can be found on page 89 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on page 101 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$79 million at the close of fiscal year 2014-15. By far the largest portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery, equipment, and vehicles) and, if applicable, less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Current assets:	\$ 52,711,778	\$43,109,438	\$28,680,753	\$28,627,322	\$ 81,392,531	\$ 71,736,760
Capital assets, net	48,625,521	50,300,656	72,634,381	63,427,293	121,259,902	113,727,949
Other noncurrent assets:	2,107,255	2,712,264	-	-	2,107,255	2,712,264
Total assets	103,444,554	96,122,358	101,315,134	92,054,615	204,759,688	188,176,973
Deferred outflows of resources	4,420,437	-	993,966	139,870	5,414,403	139,870
Current liabilities:	8,900,012	8,415,472	7,650,594	4,917,979	16,550,606	13,333,451
Noncurrent liabilities:	76,121,446	30,937,952	24,385,751	15,738,766	100,507,197	46,676,718
Total liabilities	85,021,458	39,353,424	32,036,345	20,656,745	117,057,803	60,010,169
Deferred inflows of resources	12,090,289	-	1,977,786	-	14,068,075	-
Net Position:						
Net investment in capital assets	47,667,730	50,124,094	57,076,442	46,715,688	104,744,172	96,839,782
Restricted	16,592,413	10,612,672	-	-	16,592,413	10,612,672
Unrestricted	(53,506,899)	(3,967,832)	11,218,527	24,822,052	(42,288,372)	20,854,220
Total net position	\$ 10,753,244	\$56,768,934	\$68,294,969	\$71,537,740	\$ 79,048,213	\$ 128,306,674

An additional portion of the City's net position (\$16.6 million or 21 percent of Net Position) represents resources that are subject to external restrictions on how the funds may be used. The remaining balance in *unrestricted net position* amounts to \$-42.3 million.

At the end of fiscal year 2015, the City reported a negative balance shifting from \$20.9 million to \$-42.3 million in the government-wide unrestricted net position as a whole in governmental and in business-type activities. The significant decline in the unrestricted net position is primarily a result of the City's recognition of net pension liability, which amounted to \$63.1 million, as required by GASB 68. Aside from the net pension liability, the City's assets increased primarily because property tax, transient occupancy tax, and business tax revenues along with one-time revenues exceeded estimates in the governmental activities. Rate increases in the

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

water and wastewater enterprises intended for future capital expenses and an investment in capital assets were primary contributors to the increase in total assets for business activities by \$9.3 million. However, the recognition of net pension liability offset the surplus and decreased the business-type net position by \$3.2 million.

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Charge for services	\$ 7.9	\$ 7.1	\$ 37.4	\$ 41.3	\$ 45.3	\$ 48.4
Operating contributions and grants	11.4	9.5	-	-	11.4	9.5
Capital contributions and grants	0.4	0.1	-	-	0.4	0.1
Property taxes	8.8	8.2	-	-	8.8	8.2
Transient occupancy taxes	3.2	2.8	-	-	3.2	2.8
Franchise taxes	2.1	2.0	-	-	2.1	2.0
Sales taxes	8.6	8.5	-	-	8.6	8.5
Cardroom taxes	1.7	1.7	-	-	1.7	1.7
Other taxes	2.9	3.3	-	-	2.9	3.3
State motor vehicle in-lieu tax, including subvention	3.8	3.5	-	-	3.8	3.5
State highway user tax	1.3	1.4			1.3	1.4
Miscellaneous revenues	0.3	(0.2)	-	-	0.3	(0.2)
Use of money and property	1.6	1.7	0.2	0.2	1.8	1.9
Total Revenue	53.9	49.5	37.6	41.5	91.5	91.0
Expenses						
General government	10.8	12.1	-	-	10.8	12.1
Public safety	21.2	19.8	-	-	21.2	19.8
Public works	0.9	0.9	-	-	0.9	0.9
Highways and streets	3.0	2.9	-	-	3.0	2.9
Parks and recreation	5.6	4.7	-	-	5.6	4.7
Library	1.7	1.7	-	-	1.7	1.7
Community development	2.3	1.9	-	-	2.3	1.9
Interest expense	0.4	0.3	-	-	0.4	0.3
Water	-	-	9.4	8.8	9.4	8.8
Stormwater	-	-	0.9	0.7	0.9	0.7
Wastewater	-	-	10.3	9.4	10.3	9.4
Cable Television	-	-	11.0	10.5	11.0	10.5
Total expenses	45.9	44.3	31.6	29.4	77.5	73.7
Transfers	(1.8)	(3.1)	1.8	3.1	-	-
Increase (Decrease) in Net Position	6.3	2.2	7.8	15.2	14.1	17.3
Beginning Net Position	56.8	54.6	71.6	56.4	128.3	111.0
Pension restatement	(52.3)	-	(11.1)	-	(63.4)	-
Beginning Net Position, as restated	4.5	54.6	60.5	56.4	65.0	111.0
Ending Net Position	\$ 10.8	\$ 56.8	\$ 68.3	\$ 71.6	\$ 79.0	\$ 128.3

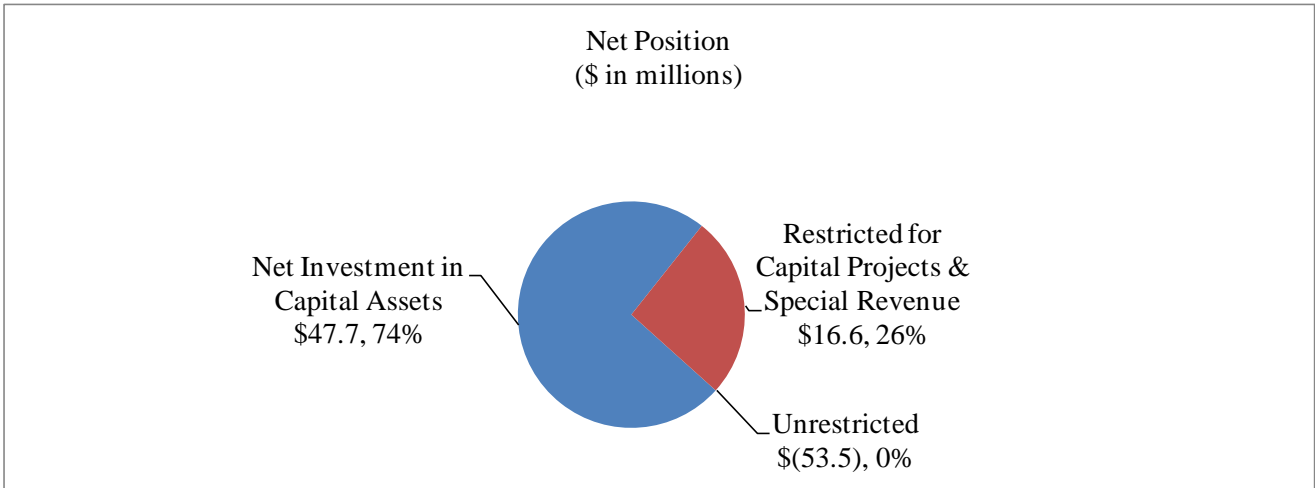
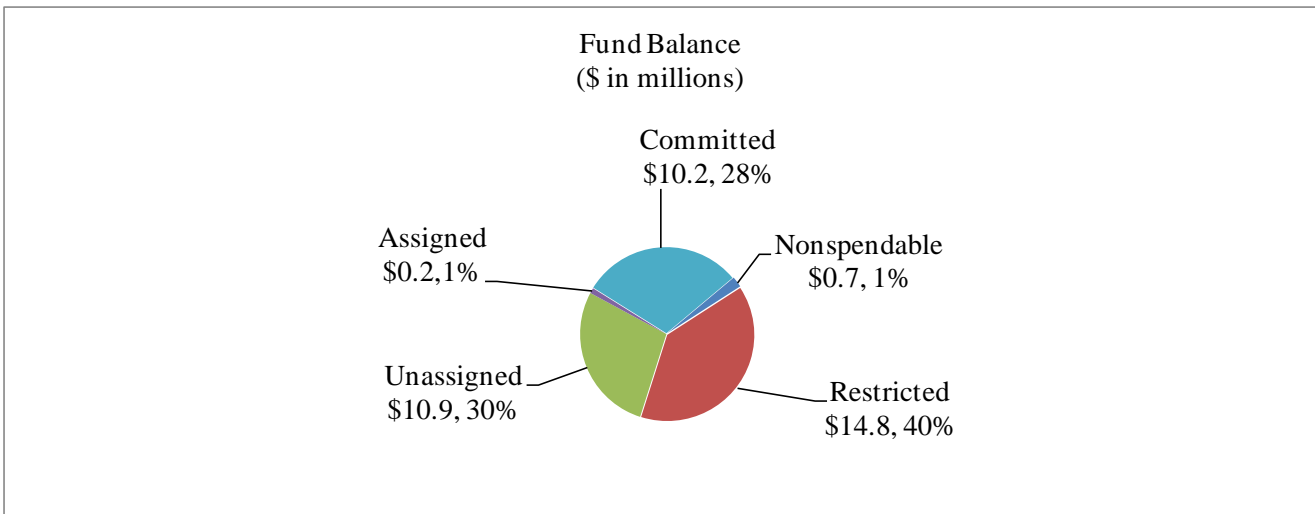
CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2015

Governmental Activities

The cost of all governmental activities this year was \$45.9 million. However, as shown in the statement of activities, the amount that citizens ultimately paid for these activities with general revenues was \$26.1 million because some of the costs were paid by those directly benefiting from the programs (\$7.9 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$11.8 million) for operations.

Available net position is an amount not subject to restriction in the current period, typically classified as fund balance. These amounts are converted to net position by adding long-term assets and subtracting long-term liabilities. A graphic illustration of this conversion is as follows:



CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Total resources available during the year to finance governmental operations were \$52.1 million. This consisted of \$19.7 million in program revenues and \$32.4 million in general revenues net of transfers. Total governmental activities expenses during the year were \$45.9 million.

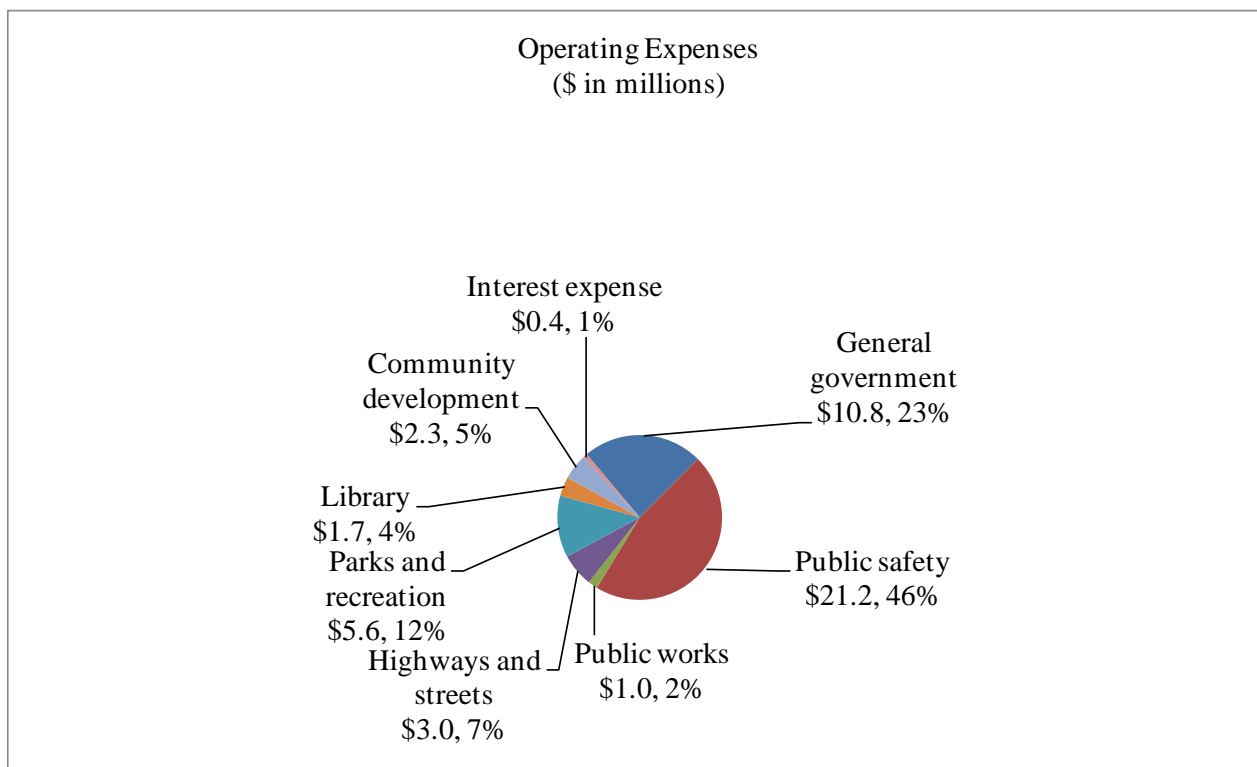
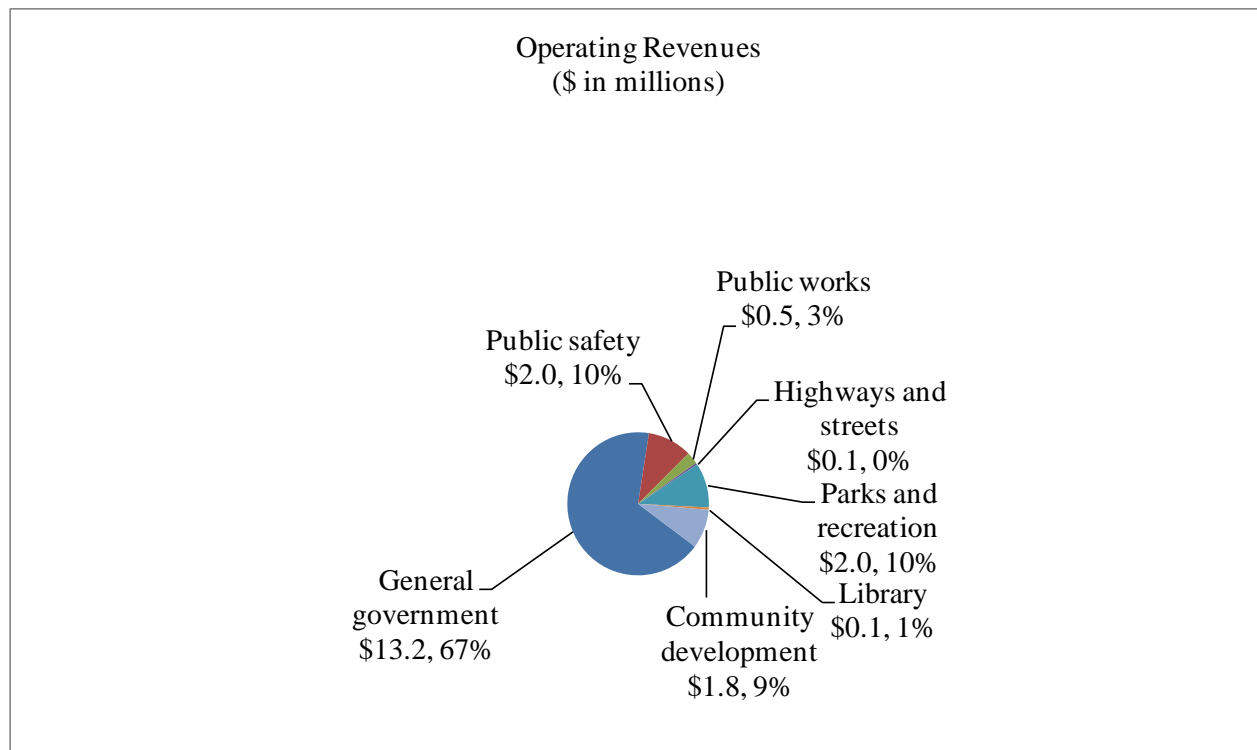
The City's programs include: general government, public safety, public works, highway and streets, parks and recreation, library, and community development. Each program's *net* cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

	Operating Revenues		Operating Expenses		Net Revenue (Expense) and Change in Net Position	
	2015	2014	2015	2014	2015	2014
Governmental activities:						
General government	\$13,248,512	\$10,932,103	\$10,813,390	\$12,129,370	\$ 2,435,122	\$ (1,197,267)
Public safety	1,990,832	1,929,735	21,206,573	19,836,376	(19,215,741)	(17,906,641)
Public works	530,251	273,111	863,706	850,759	(333,455)	(577,648)
Highways and streets	90,804	123,296	3,009,303	2,891,219	(2,918,499)	(2,767,923)
Parks and recreation	2,008,541	1,863,897	5,562,181	4,717,561	(3,553,640)	(2,853,664)
Library	103,949	108,483	1,731,305	1,685,455	(1,627,356)	(1,576,972)
Community development	1,759,620	1,506,285	2,265,895	1,888,260	(506,275)	(381,975)
Interest expense	-	-	416,914	267,977	(416,914)	(267,977)
Total governmental activities	\$19,732,509	\$16,736,910	\$45,869,267	\$44,266,977	\$ (26,136,758)	\$ (27,530,067)

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Operating resources (program revenues) and operating expenses can be depicted graphically as follows:



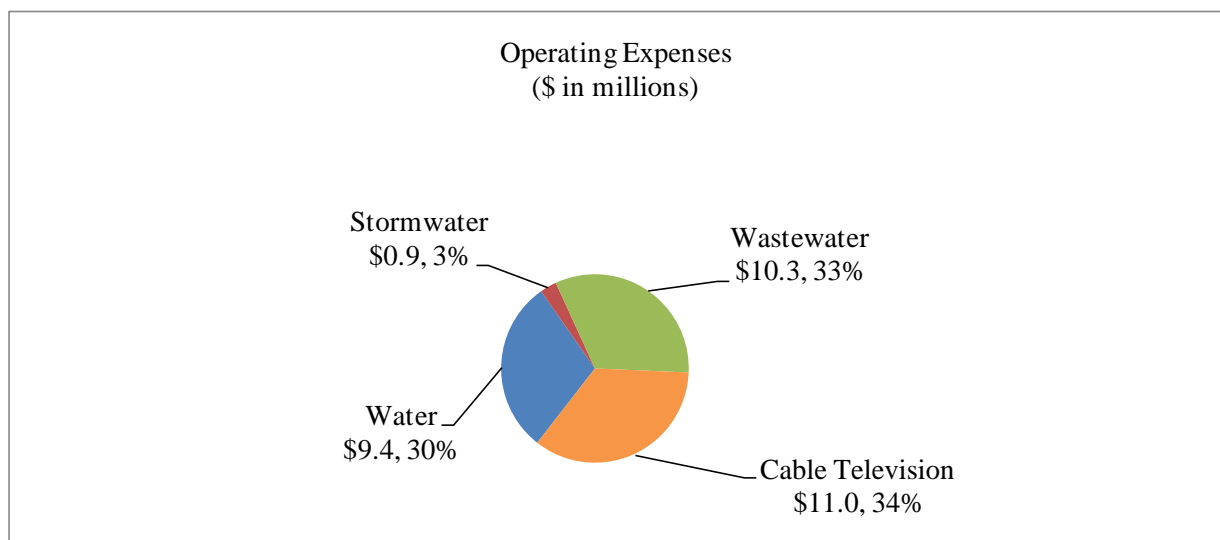
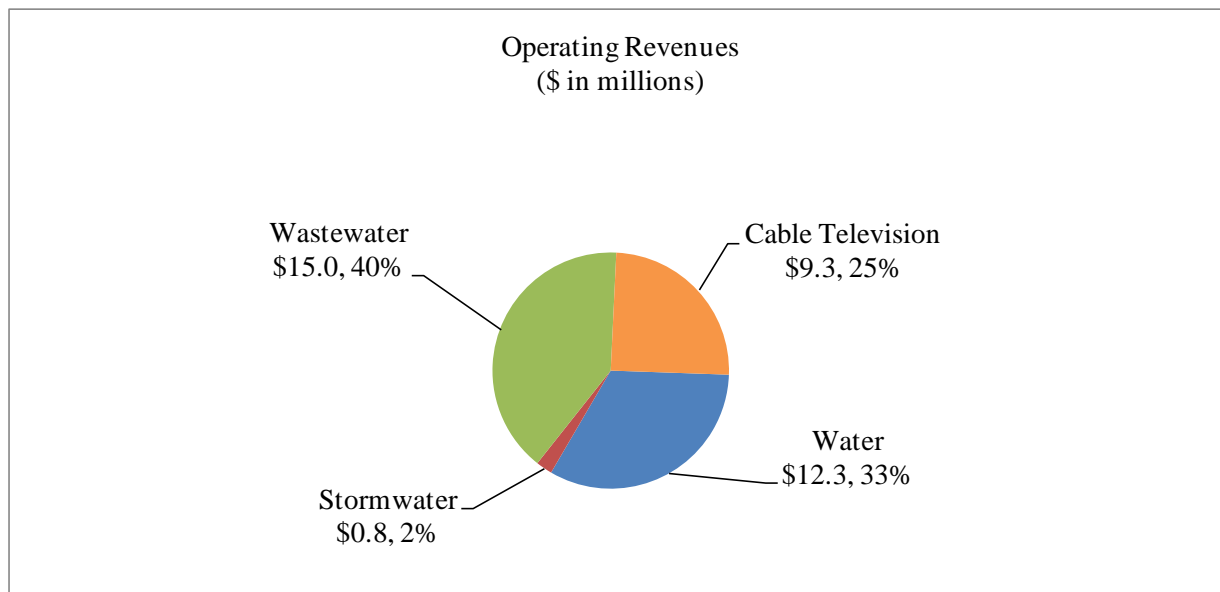
CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Business-type Activities

The City's business-type activities include water, stormwater, wastewater and cable television. Total resources available during the year to finance business-type activities were \$39.4 million consisting of program revenues, investment income, and transfers. Total business-type activities expenses during the year were \$31.6 million.

Operating revenues and expenses can be depicted graphically as follows:



CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Each program's net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

	Operating Revenues		Operating Expenses		Net (Expense) and Change in Net Position	
	2015	2014	2015	2014	2015	2014
Business-type activities:						
Water	\$ 12,304,017	\$ 15,041,156	\$ 9,378,993	\$ 8,770,677	\$ 2,925,024	\$ 6,270,479
Stormwater	839,852	1,474,221	905,074	739,512	(65,222)	734,709
Wastewater	15,016,113	15,470,139	10,265,939	9,427,956	4,750,174	6,042,183
Cable Television	9,288,345	9,329,485	11,002,694	10,508,595	(1,714,349)	(1,179,110)
Total business-type activities	\$ 37,448,327	\$ 41,315,001	\$ 31,552,700	\$ 29,446,740	\$ 5,895,627	\$ 11,868,261

Fund Level Financial Analysis

The City uses fund accounting which focuses on current financial resources that affect near-term liquidity. It is also a management tool for segregating certain resources for specific activities or objectives in accordance with special regulations, restrictions, or limitations. Unassigned fund balance or unrestricted net position is a strong indicator of uncommitted resources available for future spending.

Major Funds Change in Fund Balance

- General Fund fund balance increased by \$1 million to \$11.9 million at June 30, 2015. This positive change was mainly due to higher than expected revenues in the areas of property tax, transient occupancy tax, and business license fees.
- Disaster Recovery Fund fund balance increased by \$1.6 million mainly because of receiving reimbursement for expenses related to utility infrastructure investments.
- Capital Improvement Projects Reserve fund balance decreased by \$0.5 million to \$7.2 million to fund capital projects without a dedicating funding source such as streetlight replacement, archway at Caltrain Grade Separation, and repair of Masson Avenue box culvert. This resulted in a reserve balance that is slightly lower than the target level of \$8 million.
- Streets Improvement Capital Projects fund balance increased by \$1.7 million to \$2.5 million at June 30, 2015. These funds will be used to complete the rehabilitation of City streets, sidewalks, streetlights, traffic signals, and street medians.

Enterprise Funds Change in Net Position

- Water Fund net position decreased by \$0.4 million to \$35.9 million primarily as a result of restating the beginning net position by \$3.7 million to recognize prior year pension liability due to GASB 68. This was offset by a surplus of change in net position of \$3.3 million.
- Wastewater Fund net position increased by \$2.3 million to \$31.3 million mainly due to a combination of \$5.1 million surplus of change in net position and a subtraction of \$2.8 million to restate the beginning pension related net position.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

- Stormwater Fund net position increased by \$0.4 million to \$4.4 million mainly due to a combination of \$1.1 million surplus of change in net position and a subtraction of \$0.7 million to restate the beginning pension related net position.
- Cable Television Fund net position decreased by \$5.6 million to \$-6.6 million. This decline is primarily a result of a subtraction of \$3.9 million to restate the beginning pension related net position and an increased investment in Cable infrastructure.

General Fund Budgetary Highlights

The budget comparison information presented on page 94, as Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual shows the initial adopted and final budgets for the General Fund. In this financial statement, the General Fund is comprised of the General Operating fund and General Reserve fund.

General Fund revenues continued to see improvement in its revenue base, with all major categories such as taxes, license and permits, intergovernmental revenues, charges for services, use of money and property, and other revenues exceeding the final budget estimates. Actual revenues exceeded the final budget by 8%, or approximately \$2.9 million.

During the course of the year, the City was able to contain departmental budgets through careful management of City resources. Expenditures were 98% of appropriations, or a savings of approximately \$0.6 million.

The following is an explanation of significant differences between the final budget and year-end actuals:

General Fund Revenues

- Taxes were 7% over estimates as a result of higher former Redevelopment tax increment funds redistributed to taxing entities, increasing property values, and higher hotel and motel occupancy rates.
- Licenses and permit revenues are up 6% when compared to the prior year as a result of an increase in building related revenues.
- Revenues collected from charges for services exceeded expectations by 13%, or \$0.3 million. Higher enrollment in after school programs, summer camp, aquatics programs, and facility rentals were key drivers in revenue growth.
- The other revenues category was 12% over estimates, or \$0.4 million. This was mainly the result of a reimbursement received from the State for mandated claims and the recognition of development related deposits.

General Fund Expenditures

- Expenditures were within budgeted appropriations by approximately 2%, or \$0.6 million, due to the City's continued efforts to control and contain operating costs within departments. This approach was particularly emphasized in each of the past seven years and resulted in effective cost containment every year. In addition, cost containment was also achieved from salary and benefit savings.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

General Fund Transfers

Transfers out exceeded the final budget by \$2.1 million primarily due to transfers to the Capital Improvement Reserve fund in accordance with the City Council adopted reserve policy.

Cash Management

The City employs a pooled cash system (Reference Note 2 in the notes to the basic financial statements). To have flexibility in cash management under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in certain eligible securities as constrained by law and further limited by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield in that order of priority.

Capital Assets

The capital assets of the City are those assets used in the performance of the City's functions including infrastructure assets. At June 30, 2015, net capital assets of the governmental activities totaled \$48.6 million. Depreciation on capital assets is recognized in the government-wide financial statements. During the 2014-15 fiscal year, net capital assets for governmental activities decreased by \$1.7 million due to depreciation in excess of additions. For the business-type activities, capital assets increased by \$9.2 million to \$72.6 million due to additions in excess of depreciation. Detailed information about capital assets can be found in Note 4 to the financial statements.

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 4,011,345	\$ 4,161,345	\$ 576,842	\$ 576,842	\$ 4,588,187	\$ 4,738,187
Construction in Progress	1,351,676	3,132,696	20,148,445	11,806,747	21,500,121	14,939,443
Infrastructure	32,542,308	32,025,934	-	-	32,542,308	32,025,934
Sewer Plant	-	-	15,301,226	15,566,725	15,301,226	15,566,725
Buildings & Structures	8,128,795	8,591,852	29,332,299	28,661,388	37,461,094	37,253,240
Machinery & Equipment	2,591,397	2,388,829	7,275,569	6,815,591	9,866,966	9,204,420
Total	\$ 48,625,521	\$ 50,300,656	\$ 72,634,381	\$ 63,427,293	\$ 121,259,902	\$ 113,727,949

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

Long-Term Liabilities

On the Statement of Net Position, debt increased by \$57 million primarily as a result of the recognition of pension liability due to GASB 68 requirements in the amount of \$54 million and an increase in the OPEB liability of \$2.4 million. Detailed information about long-term debt and long-term liabilities can be found in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Operating and Capital Improvement Program (CIP) budgets for fiscal year 2015-16 were approved by the City Council on June 23, 2015 and represents a balanced and responsible approach to meeting the City's short and long-term goals. The budget continues to fund the high quality of services provided to the community, and will invest in the future through capital improvements and maintenance activities. The City Council and management considered the following economic factors in preparation of the fiscal year 2015-16 budget:

- An increase in overall revenue in the General Fund of 6% is primarily attributable to increases in property tax, sales tax, transient occupancy tax, vehicle license fees, and business tax. Property tax is anticipated to increase by 8% from the prior year and is expected to generate an additional \$0.6 million. The City's taxable sales are anticipated to grow by 5%, which translates to an additional \$0.3 million to support basic City services.
- General Fund departmental operating revenues are projected to increase by 3% when compared to the 2014-15 Amended Budget. Most significant in this category is the Planning and Building revenue projection for building permit activity. The projected increase of 20% represents only ongoing building permit activity and does not include any one-time revenues. Recreation Services fees are anticipated to increase by 4% as a result of program expansion. The increased fee amounts are offset by increased expenditures for program delivery.
- General Fund expenditures are projected to increase by 3% when compared to fiscal year 2014-15 budget. This increase is primarily due to an increase in personnel costs which stems from new labor agreements with all of the City's bargaining units. These agreements include modest salary increases along with a health plan restructure that allows for long-term cost containment.
- Limited service level enhancements were considered and adopted by the City Council on July 28, 2015. These enhancements improve and expand service delivery to the community in some key areas such as public safety response times and proactive police patrols, additional capacity in the Planning department due to increased development activity, expanding existing Library staff and programs, and funding for the Community Day in the Park.
- Planned water and wastewater rates increase annually by 9.8% and 10.3% as part of the City Council approved five-year rate increase program. This rate increase is based on a ten-year analysis of costs associated with the operating and capital improvement needs of the water and wastewater system.
- Cable revenues for fiscal year 2015-16 are projected to increase based on a net 8.5% rate increase that was approved by the City Council on June 23, 2015. The City continues to monitor and evaluate the long-term viability of the Cable operations as a City Enterprise.

CITY OF SAN BRUNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

- A total of \$2.1 million is set-aside to meet debt service obligations of the City. Of this amount, \$1.2 million is budgeted in the General Debt Service Fund, \$0.5 million is budgeted in the Wastewater Fund, and \$0.4 million is budgeted in the Redevelopment Obligation Retirement Trust Fund.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the funds it receives. Questions about this report should be directed to the Finance Department at 567 El Camino Real, San Bruno, CA 94066. This report as well as other financial reports can be viewed on the City of San Bruno's website at www.sanbruno.ca.gov.

BASIC FINANCIAL STATEMENTS

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CITY OF SAN BRUNO, CALIFORNIA

STATEMENT OF NET POSITION

JUNE 30, 2015

(With comparative totals for June 30, 2014)

	Governmental Activities	Business-Type Activities	Totals	
			2015	2014
ASSETS				
Current assets:				
Cash and investments	\$ 41,600,118	\$ 27,753,777	\$ 69,353,895	\$ 58,702,596
Cash and investments with fiscal agent	91,119	461,835	552,954	587,305
Receivables (net)	7,053,965	4,385,138	11,439,103	12,379,511
Prepaid Items	12,905	33,674	46,579	67,348
Internal balances	3,953,671	(3,953,671)	-	-
Total current assets	52,711,778	28,680,753	81,392,531	71,736,760
Noncurrent assets:				
Advances to fiduciary funds	2,107,255	-	2,107,255	2,712,264
Capital assets not being depreciated:				
Land	4,011,345	576,842	4,588,187	4,738,187
Construction in progress	1,351,676	20,148,445	21,500,121	14,939,443
Capital assets net of accumulated depreciation:				
Infrastructure	32,542,308	-	32,542,308	32,025,934
Buildings and improvements	8,128,795	44,633,525	52,762,320	52,819,965
Machinery and equipment	2,591,397	7,275,569	9,866,966	9,204,420
Total capital assets (net)	48,625,521	72,634,381	121,259,902	113,727,949
Total noncurrent assets	50,732,776	72,634,381	123,367,157	116,440,213
Total assets	103,444,554	101,315,134	204,759,688	188,176,973
DEFERRED OUTFLOW OF RESOURCES				
Deferred amount on pension	4,420,437	861,458	5,281,895	-
Deferred amount on refunding	-	132,508	132,508	139,870
Total deferred outflows of resources	4,420,437	993,966	5,414,403	139,870
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	6,326,256	5,184,218	11,510,474	8,051,860
Interest payable	35,061	261,088	296,149	317,042
Unearned revenue	350,371	714,766	1,065,137	1,092,257
Due within one year	2,188,324	1,490,522	3,678,846	3,872,292
Total current liabilities	8,900,012	7,650,594	16,550,606	13,333,451
Noncurrent liabilities:				
Due in more than one year	76,121,446	24,385,751	100,507,197	46,676,718
Total liabilities	85,021,458	32,036,345	117,057,803	60,010,169
DEFERRED INFLOW OF RESOURCES				
Deferred amount on pension	12,090,289	1,977,786	14,068,075	-
NET POSITION				
Net investment in capital assets	47,667,730	57,076,442	104,744,172	96,839,782
Restricted for:				
Capital projects	7,745,645	-	7,745,645	1,560,330
Debt service	3	-	3	13,343
Measure A	2,449,733	-	2,449,733	1,835,947
Community services	6,397,032	-	6,397,032	7,203,052
Unrestricted	(53,506,899)	11,218,527	(42,288,372)	20,854,220
Total net position	\$ 10,753,244	\$ 68,294,969	\$ 79,048,213	\$ 128,306,674
Total liabilities, deferred inflows of resources and net position	\$ 107,864,991	\$ 102,309,100	\$ 210,174,091	\$ 188,316,843

The accompanying notes are an integral part of these financial statements.

CITY OF SAN BRUNO, CALIFORNIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for June 30, 2014)

Functions/Programs	Expenses	Program Revenues			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 10,813,390	\$ 2,837,224	\$ 10,411,288	\$ -	
Public safety	21,206,573	1,637,659	353,173	-	
Public works	863,706	86,752	74,027	369,472	
Highways and streets	3,009,303	17,977	50,776	22,051	
Parks and recreation	5,562,181	1,471,537	537,004	-	
Library	1,731,305	96,969	6,980	-	
Community development	2,265,895	1,759,620	-	-	
Interest expense	416,914	-	-	-	
Total governmental activities	45,869,267	7,907,738	11,433,248	391,523	
Business-type activities:					
Water	9,378,993	12,304,017	-	-	
Stormwater	905,074	839,852	-	-	
Wastewater	10,265,939	15,016,113	-	-	
Cable television	11,002,694	9,288,345	-	-	
Total business-type activities	31,552,700	37,448,327	-	-	
Total primary government	\$ 77,421,967	\$ 45,356,065	\$ 11,433,248	\$ 391,523	

General revenues:

Taxes:

Property taxes, levied for general purposes

Transient occupancy tax

Franchise tax

Sales tax, including subvention

Cardroom taxes

Other taxes

Intergovernmental, unrestricted:

State motor vehicle in-lieu tax, including subvention

State highway user tax

Use of money and property

Miscellaneous revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position - Beginning

Pension restatement

Net position - Beginning, as restated

Net position - Ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position		Totals	
Governmental Activities	Business-Type Activities	2015	2014
\$ 2,435,122	\$ -	\$ 2,435,122	\$ (1,197,267)
(19,215,741)	-	(19,215,741)	(17,906,641)
(333,455)	-	(333,455)	(577,648)
(2,918,499)	-	(2,918,499)	(2,767,923)
(3,553,640)	-	(3,553,640)	(2,853,664)
(1,627,356)	-	(1,627,356)	(1,576,972)
(506,275)	-	(506,275)	(381,975)
(416,914)	-	(416,914)	(267,977)
(26,136,758)	-	(26,136,758)	(27,530,067)
-	2,925,024	2,925,024	6,270,479
-	(65,222)	(65,222)	734,709
-	4,750,174	4,750,174	6,042,183
-	(1,714,349)	(1,714,349)	(1,179,110)
-	5,895,627	5,895,627	11,868,261
(26,136,758)	5,895,627	(20,241,131)	(15,661,806)
8,844,431	-	8,844,431	8,197,205
3,162,479	-	3,162,479	2,790,395
2,125,938	-	2,125,938	1,957,795
8,556,002	-	8,556,002	8,547,806
1,694,580	-	1,694,580	1,652,904
2,867,616	-	2,867,616	3,267,636
3,764,990	-	3,764,990	3,503,097
1,270,588	-	1,270,588	1,370,767
1,596,447	174,855	1,771,302	1,921,539
274,320	-	274,320	(204,035)
34,157,391	174,855	34,332,246	33,005,109
(1,768,413)	1,768,413	-	-
32,388,978	1,943,268	34,332,246	33,005,109
6,252,220	7,838,895	14,091,115	17,343,303
56,768,934	71,537,740	128,306,674	110,963,371
(52,267,910)	(11,081,666)	(63,349,576)	-
4,501,024	60,456,074	64,957,098	110,963,371
\$ 10,753,244	\$ 68,294,969	\$ 79,048,213	\$ 128,306,674

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FUND FINANCIAL STATEMENTS

CITY OF SAN BRUNO, CALIFORNIA

BALANCE SHEET

JUNE 30, 2015

(With comparative totals for June 30, 2014)

	General	Capital Improvement Projects Reserve	Emergency Disaster Reserve	Measure A Transportation Tax
ASSETS				
Cash and investments	\$ 5,715,981	\$ 7,193,543	\$ 3,044,576	\$ 2,449,733
Receivables:				
Taxes	1,213,965	-	-	-
Interest	56,436	-	2,152	-
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	-	-	-
Loans	690,344	-	-	-
Other	1,506,796	-	-	-
Due from other funds	7,265,244	-	-	-
Total assets	\$ 16,448,766	\$ 7,193,543	\$ 3,046,728	\$ 2,449,733
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,206,991	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	339,542	-	-	-
Total liabilities	4,546,533	-	-	-
Deferred Inflows of Resources:				
Unavailable program revenues	-	-	-	-
Fund balances:				
Nonspendable	690,344	-	-	-
Restricted	-	-	-	2,449,733
Committed	-	7,193,543	3,046,728	-
Assigned	188,263	-	-	-
Unassigned	11,023,626	-	-	-
Total fund balances	11,902,233	7,193,543	3,046,728	2,449,733
Total liabilities, deferred inflows of resources and fund balances	\$ 16,448,766	\$ 7,193,543	\$ 3,046,728	\$ 2,449,733

The accompanying notes are an integral part of these financial statements.

Disaster Recovery Fund	Street Improvement Capital Projects	Non Major Governmental Funds	2015	2014
\$ 3,364,289	\$ 2,486,099	\$ 8,191,442	\$ 32,445,663	\$ 29,790,737
-	-	27,844	1,241,809	1,655,491
-	-	-	58,588	43,333
-	-	-	-	11,957
-	-	21,742	21,742	18,084
-	-	90,000	780,344	676,650
3,438,478	-	1,336	4,946,610	1,092,636
-	-	-	7,265,244	4,807,076
<u>\$ 6,802,767</u>	<u>\$ 2,486,099</u>	<u>\$ 8,332,364</u>	<u>\$ 46,760,000</u>	<u>\$ 38,095,964</u>
\$ 1,802,736	\$ 23,216	\$ 72,983	\$ 6,105,926	\$ 5,505,819
-	-	64,812	64,812	42,705
-	-	10,829	350,371	349,976
<u>1,802,736</u>	<u>23,216</u>	<u>148,624</u>	<u>6,521,109</u>	<u>5,898,500</u>
<u>3,415,128</u>	<u>-</u>	<u>-</u>	<u>3,415,128</u>	<u>-</u>
-	-	-	690,344	586,650
1,584,903	2,462,883	8,264,669	14,762,188	10,612,672
-	-	-	10,240,271	10,689,500
-	-	-	188,263	254,698
-	-	(80,929)	10,942,697	10,053,944
<u>1,584,903</u>	<u>2,462,883</u>	<u>8,183,740</u>	<u>36,823,763</u>	<u>32,197,464</u>
<u>\$ 6,802,767</u>	<u>\$ 2,486,099</u>	<u>\$ 8,332,364</u>	<u>\$ 46,760,000</u>	<u>\$ 38,095,964</u>

CITY OF SAN BRUNO, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2015

Total fund balances - total governmental funds \$ 36,823,763

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not
current financial resources and therefore are not reported in
the governmental funds balance sheet. 48,625,521

Internal Services funds are used by management to charge the costs of
certain activities, such as insurance, to individual funds. The assets and
liabilities of the Internal Service funds are:

Current assets and advances	11,370,606
Accounts payable and accrued liabilities	(220,330)
Liability for claims	(2,963,000)
Compensated absences	(132,117)
Net amount allocated to business-type activities	(3,246,761)

Long-term liabilities are not due and payable in the current period
and therefore they are not reported in the governmental funds balance sheet.

Pension obligation bonds	(11,025,785)
Leases payable	(143,273)
Accrued interest payable	(35,061)
Compensated absences	(2,369,169)
Net pension liability	(43,760,826)
Net OPEB obligation	(17,915,600)

Expenditures relating to contribution made to pension plans are not
recognized on the accrual basis. 4,420,437

The difference between projected and actual pension plan investment earnings
as well as the difference between proportionate share of employer contribution
and actual contribution as an adjustment to pension expense. (12,090,289)

Deferred inflows of resources related to unavailable program revenues are not
deferred on full accrual basis 3,415,128
Net position of governmental activities \$ 10,753,244

The accompanying notes are an integral part of these financial statements.

CITY OF SAN BRUNO, CALIFORNIA

RECONCILIATION OF THE FUND BASIS BALANCE SHEET TO STATEMENT OF NET POSITION

FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for June 30, 2014)

	Governmental Funds Balance Sheet	Internal Service Balances	Eliminations Reclassifications	Changes in GAAP	Statement of Net Position
ASSETS					
Current assets:					
Cash and investments	\$ 32,445,663	\$ 9,154,455	\$ -	\$ -	\$ 41,600,118
Cash and investments with fiscal agent/trustee	-	91,119	-	-	91,119
Receivables (net)	7,049,093	4,872	-	-	7,053,965
Inventory and prepaid items	-	12,905	-	-	12,905
Due from other funds	7,265,244	-	(7,265,244)	-	-
Internal balances	-	-	7,200,432	(3,246,761)	3,953,671
Total current assets	46,760,000	9,263,351	(64,812)	(3,246,761)	52,711,778
Noncurrent assets:					
Advances to fiduciary funds	-	2,107,255	-	-	2,107,255
Capital assets not being depreciated:					
Land	-	-	-	4,011,345	4,011,345
Construction in progress	-	-	-	1,351,676	1,351,676
Capital assets net of accumulated depreciation:					
Infrastructure	-	-	-	32,542,308	32,542,308
Buildings and improvements	-	-	-	8,128,794	8,128,794
Machinery and equipment	-	-	-	2,591,398	2,591,398
Total noncurrent assets	-	2,107,255	-	48,625,521	50,732,776
Total assets	\$ 46,760,000	\$ 11,370,606	\$ (64,812)	\$ 45,378,760	\$ 103,444,554
DEFERRED OUTFLOWS OF RESOURCES	\$ -	\$ -	\$ -	\$ 4,420,437	\$ 4,420,437
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	6,105,926	220,330	-	-	6,326,256
Due to other funds	64,812	-	(64,812)	-	-
Interest payable	-	-	-	35,061	35,061
Unearned revenue	350,371	-	-	-	350,371
Due within one year	-	-	-	809,753	809,753
Compensated absences	-	82,279	-	1,296,292	1,378,571
Total current liabilities	6,521,109	302,609	(64,812)	2,141,106	8,900,012
Noncurrent liabilities:					
Pension Obligation Bonds	-	-	-	10,250,303	10,250,303
Compensated absences	-	49,838	-	1,072,877	1,122,715
Due after one year	-	-	-	109,002	109,002
Liability for claims	-	2,963,000	-	-	2,963,000
Net pension liability	-	-	-	43,760,826	43,760,826
Net OPEB obligation	-	-	-	17,915,600	17,915,600
Total noncurrent liabilities	-	3,012,838	-	73,108,608	76,121,446
Total liabilities	6,521,109	3,315,447	(64,812)	75,249,714	85,021,458
DEFERRED INFLOWS OF RESOURCES					
Unavailable program revenues:	3,415,128	-	-	(3,415,128)	-
Deferred amount on pension:	-	-	-	12,090,289	12,090,289
Total deferred inflows of resources	3,415,128	-	-	8,675,161	12,090,289
NET POSITION					
Net investment in capital assets	-	-	-	47,667,730	47,667,730
Restricted for:					
Capital projects	4,330,517	-	-	3,415,128	7,745,645
Debt service	3	-	-	-	3
Measure A	2,449,733	-	-	-	2,449,733
Community services	6,397,032	-	-	-	6,397,032
Unrestricted (deficit)	23,646,478	8,055,159	-	(85,208,536)	(53,506,899)
Total net position	36,823,763	8,055,159	-	(34,125,678)	10,753,244
Total liabilities, deferred inflows of resources and net position	\$ 46,760,000	\$ 11,370,606	\$ (64,812)	\$ 49,799,197	\$ 107,864,991

The accompanying notes are an integral part of these financial statements.

CITY OF SAN BRUNO, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for June 30, 2014)

	General	Capital Improvement Projects Reserve	Emergency Disaster Reserve	Measure A Transportation Tax
REVENUES:				
Taxes	\$ 23,890,603	\$ -	\$ -	\$ 924,709
Licenses and permits	3,557,369	-	-	-
Intergovernmental	3,787,832	-	-	-
Charges for services	3,056,207	-	-	-
Fines and forfeitures	569,562	-	-	-
Use of money and property	1,553,781	-	7,903	13,003
Other revenues	3,900,094	-	-	-
Total revenues	40,315,448	-	7,903	937,712
EXPENDITURES:				
Current:				
General government	4,024,744	-	-	-
Public safety	21,803,921	-	-	-
Public works	972,093	-	-	-
Highways and streets	1,283,680	-	-	-
Parks and recreation	4,707,889	-	-	-
Library	1,709,509	-	-	-
Community development	2,235,971	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	36,737,807	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	3,577,641	-	7,903	937,712
OTHER FINANCING SOURCES (USES):				
Transfers in	1,146,161	2,112,493	-	-
Transfers out	(3,759,566)	(2,569,625)	-	(323,926)
Total other financing sources (uses)	(2,613,405)	(457,132)	-	(323,926)
Net change in fund balances	964,236	(457,132)	7,903	613,786
FUND BALANCES:				
Beginning of year	10,937,997	7,650,675	3,038,825	1,835,947
End of year	\$ 11,902,233	\$ 7,193,543	\$ 3,046,728	\$ 2,449,733

The accompanying notes are an integral part of these financial statements.

Disaster Recovery Fund	Street Improvement Capital Projects	Non Major Governmental Funds	Totals	
			2015	2014
\$ -	\$ -	\$ 1,270,588	\$ 26,085,900	\$ 24,954,783
-	-	134,449	3,691,818	4,255,588
-	-	786,806	4,574,638	4,009,117
-	-	78,147	3,134,354	2,826,577
-	-	36,142	605,704	654,000
-	-	43,947	1,618,634	1,678,676
6,481,038	22,051	86,223	10,489,406	11,324,450
6,481,038	22,051	2,436,302	50,200,454	49,703,191
3,557,472	-	509,414	8,091,630	8,955,056
-	-	90,283	21,894,204	19,851,466
-	-	56,334	1,028,427	856,559
-	451,110	1,416	1,736,206	3,689,780
-	-	785,141	5,493,030	4,453,981
-	-	14,603	1,724,112	1,631,084
-	-	32,210	2,268,181	1,872,127
-	-	225,737	225,737	360,076
-	-	818,289	818,289	807,336
-	-	399,660	399,660	410,689
3,557,472	451,110	2,933,087	43,679,476	42,888,154
2,923,566	(429,059)	(496,785)	6,520,978	6,815,037
-	2,079,801	2,555,241	7,893,696	7,977,407
(1,338,663)	-	(1,796,595)	(9,788,375)	(11,416,478)
(1,338,663)	2,079,801	758,646	(1,894,679)	(3,439,071)
1,584,903	1,650,742	261,861	4,626,299	3,375,966
-	812,141	7,921,879	32,197,464	28,821,498
\$ 1,584,903	\$ 2,462,883	\$ 8,183,740	\$ 36,823,763	\$ 32,197,464

CITY OF SAN BRUNO, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances- total governmental funds	\$ 4,626,299
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital asset purchases capitalized	\$ 1,053,255
Depreciation expense	<u>(2,728,392)</u>
Net decrease from capital outlay expenses.	(1,675,137)
Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:	
Change in Net OPEB obligation	(2,395,600)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable program revenues	3,415,128
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
Capital lease obligation principal payments	33,289
Pension obligation bond principal payments and discount amortization	765,482
Net effect on pension expenses due to GASB 68:	
Pension expense	\$ 837,232
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Interest payable	2,264
Accrued compensated absences	4,833
Internal services funds are used by management to charge the costs of certain activities, such as insurance, to individual funds.	
The net revenue (expense) of the internal service funds attributed to governmental activities.	<u>638,430</u>
Change in net position of governmental activities.	<u><u>\$ 6,252,220</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF SAN BRUNO, CALIFORNIA

RECONCILIATION OF THE EXPENDITURES OF THE GOVERNMENTAL FUNDS STATEMENTS TO THE EXPENSES OF THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Fund Based Totals	Compensated Absences/ Debt Service	Depreciation	Capital Asset (Additions)/ Retirements	Internal Service Fund Eliminations	OPEB Obligation	Pension Expense	Government- wide Totals
Primary government:								
Governmental activities:								
General government	\$ 8,091,630	\$ (4,833)	\$ 372,675	\$ 119,311	\$ (19,307)	\$ 2,395,600	\$ (367,423)	\$ 10,587,653
Public safety	21,894,204	-	349,498	(450,888)	(116,432)	-	(469,809)	21,206,573
Public works	1,028,427	-	25,775	(182,549)	(7,947)	-	-	863,706
Highways and streets	1,736,206	-	1,702,777	(420,604)	(9,076)	-	-	3,009,303
Parks and recreation	5,493,030	-	227,634	(99,471)	(59,012)	-	-	5,562,181
Library	1,724,112	-	22,962	-	(15,769)	-	-	1,731,305
Community development	2,268,181	-	27,071	(19,054)	(10,303)	-	-	2,265,895
Capital outlay	225,737	-	-	-	-	-	-	225,737
Debt service/Interest expense	1,217,949	(801,035)	-	-	-	-	-	416,914
Total governmental activities	43,679,476	(805,868)	2,728,392	(1,053,255)	(237,846)	2,395,600	(837,232)	45,869,267
Business-type activities:								
Water	9,406,617	-	-	-	(27,624)	-	-	9,378,993
Stormwater	939,320	-	-	-	(34,246)	-	-	905,074
Wastewater	10,271,165	-	-	-	(5,226)	-	-	10,265,939
Cable television	11,014,951	-	-	-	(12,257)	-	-	11,002,694
Total business-type activities	31,632,053	-	-	-	(79,353)	-	-	31,552,700
Total expenditures/expenses	\$ 75,311,529	\$ (805,868)	\$ 2,728,392	\$ (1,053,255)	\$ (317,199)	\$ 2,395,600	\$ (837,232)	\$ 77,421,967

The accompanying notes are an integral part of these financial statements.

CITY OF SAN BRUNO, CALIFORNIA

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2015

(With comparative totals for June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
ASSETS			
Current assets:			
Cash and investments	\$ 15,591,768	\$ 1,327,536	\$ 10,834,473
Cash and investments with fiscal agent/trustee	-	-	461,835
Accounts receivable	1,162,488	193,693	2,263,453
Prepaid items	-	-	-
Total current assets	<u>16,754,256</u>	<u>1,521,229</u>	<u>13,559,761</u>
Noncurrent assets:			
Advance to Redevelopment Agency Obligation Retirement Fund	-	-	-
Property, plant and equipment (net)	25,915,319	3,648,752	37,887,612
Total noncurrent assets	<u>25,915,319</u>	<u>3,648,752</u>	<u>37,887,612</u>
Total assets	<u>42,669,575</u>	<u>5,169,981</u>	<u>51,447,373</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amount on pension	284,087	55,177	218,720
Deferred amount on refunding	-	-	132,508
Total deferred outflows of resources	<u>284,087</u>	<u>55,177</u>	<u>351,228</u>
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable and accrued liabilities	3,035,372	13,106	1,567,173
Due to other funds	-	-	-
Interest payable	-	-	261,088
Unearned revenue	-	-	-
Compensated absences - current	77,058	-	69,137
Long term debt - due within one year	-	-	1,107,408
Total current liabilities	<u>3,112,430</u>	<u>13,106</u>	<u>3,004,806</u>
Noncurrent liabilities:			
Compensated absences - noncurrent	54,770	15,122	49,791
Long term debt - due in more than one year	-	-	14,450,531
Liability for claims - non-current	-	-	-
Net pension liability	3,222,046	625,804	2,480,665
Total noncurrent liabilities	<u>3,276,816</u>	<u>640,926</u>	<u>16,980,987</u>
Total liabilities	<u>6,389,246</u>	<u>654,032</u>	<u>19,985,793</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amount on pension	652,224	126,679	502,150
Total deferred inflows of resources	<u>652,224</u>	<u>126,679</u>	<u>502,150</u>
Net Position			
Net investment in capital assets	25,915,319	3,648,752	22,329,673
Unrestricted (deficit)	9,996,873	795,695	8,980,985
Total net position	<u>\$ 35,912,192</u>	<u>\$ 4,444,447</u>	<u>\$ 31,310,658</u>
Total liabilities and net position	<u>\$ 42,953,662</u>	<u>\$ 5,225,158</u>	<u>\$ 51,798,601</u>
Reconciliation to government-wide statement of net position:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 1,545,582	\$ 111,725	\$ 686,778
Net position of business-type activities	<u>\$ 37,457,774</u>	<u>\$ 4,556,172</u>	<u>\$ 31,997,436</u>

The accompanying notes are an integral part of these financial statements.

Business Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds	
Cable Television	Totals		Totals	
	2015	2014	2015	2014
\$ -	\$ 27,753,777	\$ 20,779,391	\$ 9,154,455	\$ 8,132,468
-	461,835	496,186	91,119	91,119
765,504	4,385,138	8,881,360	4,872	-
33,674	33,674	67,348	12,905	-
799,178	32,634,424	30,224,285	9,263,351	8,223,587
-	-	-	2,107,255	2,712,264
5,182,698	72,634,381	63,427,293	-	-
5,182,698	72,634,381	63,427,293	2,107,255	2,712,264
5,981,876	105,268,805	93,651,578	11,370,606	10,935,851
303,474	861,458	-	-	-
-	132,508	139,870	-	-
303,474	993,966	139,870	-	-
568,567	5,184,218	2,396,063	220,330	149,978
7,200,432	7,200,432	4,764,371	-	-
-	261,088	279,719	-	-
714,766	714,766	742,281	-	-
236,919	383,114	346,252	82,279	119,724
-	1,107,408	1,153,664	-	-
8,720,684	14,851,026	9,682,350	302,609	269,702
45,099	164,782	180,825	49,838	42,773
-	14,450,531	15,557,941	-	-
-	-	-	2,963,000	3,286,000
3,441,923	9,770,438	-	-	-
3,487,022	24,385,751	15,738,766	3,012,838	3,328,773
12,207,706	39,236,777	25,421,116	3,315,447	3,598,475
696,733	1,977,786	-	-	-
696,733	1,977,786	-	-	-
5,182,698	57,076,442	46,715,688	-	-
(11,801,787)	7,971,766	21,654,644	8,055,159	7,337,376
\$ (6,619,089)	\$ 65,048,208	\$ 68,370,332	\$ 8,055,159	\$ 7,337,376
\$ 6,285,350	\$ 106,262,771	\$ 93,791,448	\$ 11,370,606	\$ 10,935,851
\$ 902,676	\$ 3,246,761	\$ 3,167,408		
\$ (5,716,413)	\$ 68,294,969	\$ 71,537,740		

CITY OF SAN BRUNO, CALIFORNIA

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for the year ended June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
OPERATING REVENUES:			
Charges for services:			
Water sales	\$ 11,968,127	\$ -	\$ -
Sewer service charges	-	-	14,116,632
Cable television charges	-	-	-
Other service charges	77,502	561,574	17,475
Other operating revenue	258,388	278,278	882,006
Insurance cost allocation	-	-	-
Total operating revenues	12,304,017	839,852	15,016,113
OPERATING EXPENSES:			
Water supply	5,129,382	-	-
Distribution	3,019,829	825,509	-
Customer accounting	492,518	-	-
Treatment	-	-	7,947,063
Cable operations	-	-	-
Central garage	-	-	-
Insurance expenses	-	-	-
Equipment replacement	-	-	-
Technology support	-	-	-
Facilities maintenance	-	-	-
Depreciation and amortization	764,888	113,811	1,822,824
Total operating expenses	9,406,617	939,320	9,769,887
OPERATING INCOME (LOSS)	2,897,400	(99,468)	5,246,226
NONOPERATING REVENUES (EXPENSES):			
Investment income	98,982	4,888	70,985
Interest and debt service expenses	-	-	(501,278)
Total non-operating revenues (expenses), net	98,982	4,888	(430,293)
NET INCOME (LOSS) BEFORE OPERATING TRANSFERS	2,996,382	(94,580)	4,815,933
Transfers in	326,183	1,236,297	326,183
Transfers out	(58,750)	-	(53,250)
CHANGE IN NET POSITION	3,263,815	1,141,717	5,088,866
NET POSITON:			
Beginning of year	36,302,833	4,012,519	29,035,371
Pension restatement	(3,654,456)	(709,789)	(2,813,579)
End of year	\$ 35,912,192	\$ 4,444,447	\$ 31,310,658
Reconciliation to government-wide statement of activities:			
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ 27,624	\$ 34,246	\$ 5,226
Change in net position of business-type activities - End of year	\$ 3,291,439	\$ 1,175,963	\$ 5,094,092

The accompanying notes are an integral part of these financial statements.

Cable Television	Business Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds	
	Totals		Totals	
	2015	2014	2015	2014
\$ -	\$ 11,968,127	\$ 12,205,712	\$ -	\$ -
-	14,116,632	13,162,164	-	-
9,234,773	9,234,773	9,300,382	-	-
52,035	708,586	756,833	2,297,526	2,009,341
1,537	1,420,209	5,889,910	-	-
-	-	-	2,499,144	1,805,616
9,288,345	37,448,327	41,315,001	4,796,670	3,814,957
-	5,129,382	5,290,423	-	-
-	3,845,338	3,300,637	-	-
-	492,518	(307)	-	-
-	7,947,063	6,748,392	-	-
10,223,440	10,223,440	9,785,224	-	-
-	-	-	616,768	538,787
-	-	-	1,785,592	2,121,500
-	-	-	354,478	92,336
-	-	-	669,095	599,690
-	-	-	1,053,538	978,497
791,511	3,493,034	3,671,765	-	-
11,014,951	31,130,775	28,796,134	4,479,471	4,330,810
(1,726,606)	6,317,552	12,518,867	317,199	(515,853)
-	174,855	242,863	-	-
-	(501,278)	(521,629)	-	-
-	(326,423)	(278,766)	-	-
(1,726,606)	5,991,129	12,240,101	317,199	(515,853)
-	1,888,663	3,269,932	430,584	430,584
(8,250)	(120,250)	(205,480)	(30,000)	(260,000)
(1,734,856)	7,759,542	15,304,553	717,783	(345,269)
(980,391)	68,370,332	53,065,779	7,337,376	7,682,645
(3,903,842)	(11,081,666)	-	-	-
\$ (6,619,089)	\$ 65,048,208	\$ 68,370,332	\$ 8,055,159	\$ 7,337,376
\$ 12,257	\$ 79,353	\$ (128,977)		
\$ (1,722,599)	\$ 7,838,895	\$ 15,175,576		

CITY OF SAN BRUNO, CALIFORNIA

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for the year ended June 30, 2014)

	Business Type Activities - Enterprise Funds		
	Water	Stormwater	Wastewater
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from interfund services provided	\$ -	\$ -	\$ -
Cash receipts from customers	14,942,197	1,529,108	16,123,499
Cash payments to suppliers for goods and services	(4,501,686)	(390,413)	(5,809,422)
Cash payments to employees for services	(2,074,056)	(440,829)	(1,572,192)
Net cash provided by (used by) operating activities	8,366,455	697,866	8,741,885
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments from other funds	-	-	-
Transfers received from other funds	326,183	1,236,297	326,183
Transfers paid to other funds	(58,750)	-	(53,250)
Net cash provided by noncapital financing activities	267,433	1,236,297	272,933
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(6,372,997)	(762,786)	(4,054,346)
Principal payments on long-term debt	-	-	(1,109,359)
Interest paid on long-term debt	-	-	(518,201)
Net cash (used) by capital and related financing activities	(6,372,997)	(762,786)	(5,681,906)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income received	98,982	4,888	70,985
Net cash provided by investing activities	98,982	4,888	70,985
Net increase (decrease) in cash and cash equivalents	2,359,873	1,176,265	3,403,897
CASH AND CASH EQUIVALENTS:			
Beginning of year	13,231,895	151,271	7,892,411
End of year	<u>\$ 15,591,768</u>	<u>\$ 1,327,536</u>	<u>\$ 11,296,308</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position			
Cash and investments	\$ 15,591,768	\$ 1,327,536	\$ 10,834,473
Cash and investments held by trustees	-	-	461,835
Total Cash and Cash Equivalents, End of Year	<u>\$ 15,591,768</u>	<u>\$ 1,327,536</u>	<u>\$ 11,296,308</u>
Reconciliation of income (loss) from operations to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 2,897,400	\$ (99,468)	\$ 5,246,226
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	764,888	113,811	1,822,824
(Increase) decrease in current assets:			
Accounts receivable	2,638,180	689,256	1,107,386
Prepaid items	-	-	-
Due from other funds	-	-	-
(Increase) decrease in deferred outflows of resources	(284,087)	(55,177)	(218,720)
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	2,123,098	1,712	602,563
Unearned revenue	-	-	-
Compensated absences	7,162	5,038	12,370
Other long-term liabilities	219,814	42,694	169,236
Increase (decrease) in claims liability - noncurrent	-	-	-
Increase (decrease) in deferred inflows of resources	-	-	-
Net cash provided by (used for) operating activities	\$ 8,366,455	\$ 697,866	\$ 8,741,885

The accompanying notes are an integral part of these financial statements.

Business Type Activities Enterprise Funds			Governmental Activities - Internal Service Funds	
Cable Television	Totals		Totals	
	2015	2014	2015	2014
\$ -	\$ -	\$ -	\$ 4,791,798	\$ 3,829,377
9,322,230	41,917,034	35,577,691	-	-
(7,988,520)	(18,690,041)	(19,525,874)	(4,775,404)	(4,015,382)
(2,212,875)	(6,299,952)	(6,236,956)	-	-
(879,165)	16,927,041	9,814,861	16,394	(186,005)
-	-	-	605,009	264,769
2,436,061	4,324,724	1,201,027	430,584	430,584
(8,250)	(120,250)	3,064,452	(30,000)	(260,000)
2,427,811	4,204,474	4,265,479	1,005,593	435,353
(1,509,993)	(12,700,122)	(11,628,646)	-	-
(36,945)	(1,146,304)	(2,055,892)	-	-
(1,708)	(519,909)	(583,012)	-	-
(1,548,646)	(14,366,335)	(14,267,550)	-	-
-	174,855	242,863	-	-
-	174,855	242,863	-	-
-	6,940,035	55,653	1,021,987	249,348
-	21,275,577	21,219,924	8,223,587	7,974,239
\$ -	\$ 28,215,612	\$ 21,275,577	\$ 9,245,574	\$ 8,223,587
\$ -	\$ 27,753,777	\$ 20,779,391	\$ 9,154,455	\$ 8,132,468
-	461,835	496,186	91,119	91,119
\$ -	\$ 28,215,612	\$ 21,275,577	\$ 9,245,574	\$ 8,223,587
\$ (1,726,606)	\$ 6,317,552	\$ 12,518,867	\$ 317,199	\$ (515,853)
791,511	3,493,034	3,671,765	-	-
61,400	4,496,222	(5,730,073)	(4,872)	14,420
33,674	33,674	139,613	-	-
-	-	-	(12,905)	-
(303,474)	(861,458)	-	-	-
60,782	2,788,155	(842,894)	70,352	37,270
(27,515)	(27,515)	(7,237)	-	-
(3,751)	20,819	64,820	(30,380)	48,158
234,814	666,558	-	-	-
-	-	-	(323,000)	230,000
-	-	-	-	-
\$ (879,165)	\$ 16,927,041	\$ 9,814,861	\$ 16,394	\$ (186,005)

CITY OF SAN BRUNO, CALIFORNIA

FIDUCIARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2015

(With comparative totals for the year ended June 30, 2014)

	Redevelopment Agency Obligation Retirement Trust Fund		Agency Funds	
	2015	2014	2015	2014
ASSETS				
Cash and investments	\$ 773,888	\$ 1,274,422	\$ 70,392,457	\$ 69,356,592
Cash and investments with fiscal agent/trustee	649,998	649,993	-	-
Accounts receivable	-	-	411,938	349,261
Land held for resale	-	-	-	-
Total assets	<u>\$ 1,423,886</u>	<u>\$ 1,924,415</u>	<u>\$ 70,804,395</u>	<u>\$ 69,705,853</u>
LIABILITIES				
Accounts payable	\$ 173,742	\$ 170,625	\$ 904,438	\$ 789,808
Interest payable	149,945	155,674	-	-
Other liabilities	-	-	154,659	72,095
Due to San Bruno Community Foundation	-	-	69,745,298	68,843,950
Advances from the City of San Bruno	2,107,255	2,712,264	-	-
Certificates of Participation	6,895,000	7,170,000	-	-
Total liabilities	<u>9,325,942</u>	<u>10,208,563</u>	<u>\$ 70,804,395</u>	<u>\$ 69,705,853</u>
NET POSITION				
Restricted net position held in trust	(7,902,056)	(8,284,148)		
TOTAL LIABILITIES AND NET POSITION	<u>\$ 1,423,886</u>	<u>\$ 1,924,415</u>		

The accompanying notes are an integral part of these financial statements.

CITY OF SAN BRUNO, CALIFORNIA

FIDUCIARY FUNDS

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET
POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	Redevelopment Agency Obligation Retirement Trust Fund	
	2015	2014
ADDITIONS		
Administration allowance	\$ 120,126	\$ 66,088
Taxes	1,081,591	1,223,831
Other revenues	69	19
Transfers in	-	299,864
TOTAL ADDITIONS	1,201,786	1,589,802
DEDUCTIONS		
Community development	176,170	180,751
Administrative expenses	1,318	-
Interest and fiscal charges	367,888	542,032
Transfers out	274,318	95,829
TOTAL DEDUCTIONS	819,694	818,612
NET INCOME (LOSS) BEFORE SPECIAL ITEMS	382,092	771,190
Special item	-	(566,000)
CHANGES IN NET POSITION	382,092	205,190
NET POSITION -Beginning of the year	(8,284,148)	(8,489,338)
NET POSITION -End of the year	\$ (7,902,056)	\$ (8,284,148)

The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF SAN BRUNO, CALIFORNIA

INDEX TO NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Page</u>
Note 1 - Summary of Significant Accounting Policies.....	44
Financial Reporting Entity.....	44
Basis of Presentation	49
Measurement Focus	49
Basis of Accounting.....	49
Assets, Liabilities, and Equity	50
Revenues, Expenditures and Expenses	54
Budgetary Policies.....	56
Note 2 – Cash and Investments	57
Note 3 – Accounts Receivable.....	59
Note 4 – Capital Assets	60
Note 5 – Accounts Payable and Accrued Liabilities.....	64
Note 6 – Long-Term Liabilities	65
Note 7 – City of South San Francisco Sewer Plant Agreement.....	69
Note 8 – Deficit Net Position/Fund Balances	71
Note 9 – Excess Expenditures Over Appropriations.....	71
Note 10 – Interfund Transactions	72
Note 11 – Risk Management.....	74
Note 12 – Public Employees’ Retirement System.....	75
Note 13 – Post-Employment Healthcare Plan.....	85
Note 14 – Contingencies.....	87
Note 15 – Litigation.....	87
Note 16 – Reserve Policy	87
Note 17 – Restatement	88

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government, the City of San Bruno (City), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund balance/net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. However, some funds are reported as major funds due to the significance to the users of the financial statements.

The funds of the financial reporting entity are described below:

Governmental Activities

General Fund

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. The General Fund supports the City's general operating expenditures, fixed charges, and capital costs that are not paid through other funds.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted or committed to expenditures for particular purposes.

Capital Project Funds

The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Debt Service Funds

The Debt Service Funds account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City other than those serviced by proprietary funds.

Business-type Activities

Proprietary Funds

Enterprise Funds

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Internal Service Funds

The Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The internal service funds are used to account for equipment servicing other funds, central garage, insurance programs, technology development and facility maintenance. These funds are eliminated as part of the reconciliation process and treated as governmental activities, since these are the primary funds served. The percentage contribution by function to these funds was as follows:

Governmental activities:	
General government	6%
Public safety	36%
Public works	3%
Highways and streets	3%
Parks and recreation	19%
Library	5%
Community development	2%
Business-type activities:	
Water	9%
Stormwater	2%
Wastewater	11%
Cable	4%

Fiduciary Funds

Agency Funds

Agency Funds account for assets held by the City in a purely custodial capacity. The reporting entity includes three agency funds, which are Project Development, San Bruno Community Foundation and San Bruno Garbage Company. Since agency funds are custodial in nature, (i.e. assets equal liabilities), they do not involve the measurement of results of operations.

Trust Funds

Trust funds are used to account for the assets held by the City under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the City's own programs. The City's private purpose trust fund is the Redevelopment Agency Obligation Retirement Trust Fund.

Redevelopment Agency Obligation Retirement Trust Fund accounts for the assets, liabilities and activities of the former Redevelopment Agency of the City in a trustee capacity to pay for enforceable obligations of the former Redevelopment Agency. In accordance with Assembly Bill (AB) X1 26 and AB 1484, the Redevelopment Agency was dissolved February 1, 2012.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Major and Non-Major Governmental Funds

The governmental funds are further classified as major or non-major as follows:

<u>Fund Type</u>	<u>Brief Description</u>
-------------------------	---------------------------------

Major:

General

Primary operating fund of the City, accounting for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds:

Capital Improvement Projects Reserve

Accounts for funds committed by City Council to be used for projects and initiatives throughout the City that have no other identifiable funding source. There are no major sources of revenues for this fund.

Emergency Disaster Reserve

Accounts for funds committed by City Council to be used in the event of a declaration of emergency that requires the expenditure of funds outside of the adopted budget. There are no major sources of revenues for this fund.

Measure A Transportation Tax

Accounts for funds received to be used for local transportation purposes. The revenues consist primarily of revenues received from Measure A sales tax passed to the City by San Mateo County The City.

Disaster Recovery Fund

Accounts for funds to be used for rebuilding the Crestmoor/Glenview Neighborhood.

Capital Projects Funds:

Street Improvement

Accounts for funds expended for transportation infrastructure such as street rehabilitation, streetlights, traffic signals, and street medians.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Non-Major:

Special Revenue Funds:

In-lieu	Accounts for funds received to substitute for standard fees utilized for particular purposes.
Agency on Aging	Accounts for funds received for senior services.
Gas Tax	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2103, 2105, 2106, 2107 and 2107.5 of the Streets and Highway Code.
Federal/State Grants	Accounts for activities for the City's grants.
Library	Accounts for funds received for Library programs and operations.
Police Asset Seizure	Accounts for asset seizure funds to be used on Police programs.
Safety Augmentation	Accounts for state augmentation funds to be used for safety programs.
Police	Accounts for Police revenues to be used on special law enforcement programs.
SB322 Recycling/Litter Clean-up	Accounts for SB322 funds to be used on recycling and litter clean-up programs.
Restricted Donations	Accounts for donations received for specific purposes.
Traffic Safety	Accounts for traffic safety funds.
City of San Bruno as Successor Housing Agency	Accounts for housing assets and functions previously performed by the former Redevelopment Agency.
Streets	Accounts for funds dedicated to street improvement and mitigation.

Debt Service Funds:

General	Accounts for funds related to the fire apparatus lease purchase and 2013 Pension Obligation Bond principal and interest payments.
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Capital Projects Funds:

General	Accounts for funds expended on the improvement and development of the City's facilities, infrastructure, and major equipment used to deliver services to the community.
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CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Measurement Focus

Measurement focus is a term used to describe how transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The enterprise and internal service funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Enterprise and internal service fund equity is classified as net position.
- c. Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the City.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period, considered to be 60 days, or soon enough thereafter to pay current liabilities. Major revenue sources meeting this criterion are property taxes, sales taxes, grants and interest. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than program revenues. Likewise, general revenues include all taxes.

The enterprise, internal service and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Assets, Liabilities, and Equity

Cash Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

The City indirectly participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.”

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 10 for details of interfund transactions, including receivables and payables at year-end.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances of uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include property taxes, sales and use taxes, franchise taxes, intergovernmental subventions, interest earnings, paramedic service, and expense reimbursements.

Business-type activities report service charges and expense reimbursements as its major receivables. See Note 3 for additional disclosures. In the fund financial statements, significant receivables in governmental funds include revenue accruals such as property tax, sales tax, transient tax, franchise tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Intergovernmental accounts receivable comprise the majority of proprietary fund receivables.

Inventories

The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the City has therefore chosen to report these items as expenditures/expenses at the time of purchase.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost if actual is available. Policy has set the capitalization threshold for reporting capital assets at \$10,000, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Gifts or contributions of capital assets are recorded at fair market value on the date donated. Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems and are capitalized at \$100,000.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Infrastructure	10 – 50 years
Government buildings and structures	10 – 40 years
Equipment and furnishings	5 – 10 years
Water	5 – 40 years
Stormwater	5 – 40 years
Wastewater	5 – 40 years
Cable television	5 – 40 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. The long-term debt consists of bonds, capital leases, certificates of participation, compensated absences and a liability for claims.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave. The current portion of this debt is estimated based on historical trend and funded in the individual fund generating the liability with the long-term portion shown as a long-term liability.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position/Fund Balance Classification

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Fund Financial Statements

Governmental fund balances are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through a city resolution as approved by the city council. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, only the city council or city manager may assign amounts for specific purposes.

Unassigned – all other spendable amounts. The General Fund is the only fund that reports a positive unassigned fund balance amount. In all other governmental funds, if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed or assigned to those purposes, a negative unassigned fund balance is reported in that fund.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the city council has provided otherwise in its commitment or assignment actions.

Revenues, Expenditures, and Expenses

Property Tax

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the county within sixty days after year end.

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and February 1
Delinquent Date	December 10 and April 10

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Property taxes attach annually as an enforceable lien as of January 1. Taxes are levied on July 1, are payable in two installments, and are delinquent at December 10 and April 10. All general property taxes are then allocated by the San Mateo County Controller's Office to the various taxing entities in accordance with Proposition 13. Property tax revenues are recognized when levied to the extent that they are measurable and that they will be received in 60 days. Since the County utilizes the Teeter system of allocation, all property tax revenue is allocated to the City and accounted for as revenue in the fiscal year that it is levied.

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

- Governmental funds – by character
- Current (further classified by function)
- Capital outlay
- Debt service

In the fund financial statements, governmental funds report expenditures of current financial resources.

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated with internal balances (between governmental and business-type activities) remaining on the statement of net position.

Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year financial statements, from which this selected data was derived. Certain minor reclassifications of prior year data may have been made in order to enhance their comparability with current year figures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Budgetary Policies

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary fund types.
3. Budgets for the General, Major Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).
4. Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2015, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
5. Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year.
6. Appropriations, except for those encumbered under purchase orders, lapse at the end of the fiscal year. Encumbered amounts are then carried over for the coming year.
7. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2015, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturity (in years)					Deposits	Fair Market Value
	Less than 1	1 to 2	2 to 3	3 to 4	4 to 5		
Cash equivalents and investment pooled							
Cash - Bank of America	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,119	\$ 91,119
Cash - First National Bank	-	-	-	-	-	7,819,315	7,819,315
Cash - Union Bank	-	-	-	-	-	7,123,358	7,123,358
Cash - Wells Fargo	-	-	-	-	-	1,072,141	1,072,141
Petty cash	-	-	-	-	-	62,874	62,874
Total pooled cash	-	-	-	-	-	16,168,807	16,168,807
Interest obligations							
Black Rock Institutional Funds T-Funds Money Market	402,595	-	-	-	-	-	402,595
County of San Mateo Investment Pool	-	21,679,535	-	-	-	-	21,679,535
Reich & Tang Daily Income US Government Money Market Fund	649,998	-	-	-	-	-	649,998
State of California Local Agency Investment Fund	17,360,882	-	-	-	-	-	17,360,882
Federal Home Loan Banks	-	999,960	2,990,780	-	996,690	-	4,987,430
Federal Farm Credit Backed	-	-	1,000,250	-	-	-	1,000,250
Federal Home Loan Mortgage Corp.	-	-	6,017,210	-	-	-	6,017,210
Federal National Mortgage Association	-	998,660	3,001,550	-	-	-	4,000,210
State of California Municipal Bond	-	-	-	2,026,680	-	-	2,026,680
US Treasury Bill (Wells Fargo)	67,429,595	-	-	-	-	-	67,429,595
Total pooled investments-interest obligations	85,843,070	23,678,155	13,009,790	2,026,680	996,690	-	125,554,385
Total cash equivalents and investment pooled	\$ 85,843,070	\$ 23,678,155	\$ 13,009,790	\$ 2,026,680	\$ 996,690	\$ 16,168,807	\$ 141,723,192

Amounts reported in:

Governmental activities	\$ 41,691,237
Business-type activities	28,215,612
Fiduciary activities - Agency and trust funds	71,816,343
Total	<u>\$ 141,723,192</u>

Interest rate risk: In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 2 years.

Concentration of credit risk: The City's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City's Investment Policy, which is accepted annually by the City Council.

Custodial credit risk – deposit: For deposits, there is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City currently has no deposit policy for custodial credit risk. The City is not exposed to significant custodial risk.

Custodial credit risk – investments: For investments, there is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Credit risk: As of June 30, 2015, the City's major investments were rated AA+ by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service. The County of San Mateo Investment Pool and State of California Local Agency Investment Fund are not rated.

Investment Types	Amount
AA+ rated:	
<i>Available for Operations:</i>	
U.S. Government Agency Obligations	\$ 16,005,100
<i>Restricted:</i>	
Money Market Funds	1,052,593
A rated:	
<i>Available for Operations:</i>	
State of California Municipal Bonds	2,026,680
Not Rated:	
County of San Mateo Investment Pool	21,679,535
California Local Agency Investment Funds	17,360,882
U.S. Treasury Bills	69,573,877
Exempt from credit rate disclosure:	
Demand Deposits	14,024,525
Total Cash and Investments	<u>\$ 141,723,192</u>

Investment policy: Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, and concentration of credit risk.

During the year ended June 30, 2015, the City's permissible investments included the following instruments:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5 years	None	None
U.S. Agency securities	5 years	None	None
Non-negotiable certificates of deposit	1 years	None	None
LAIF	N/A	None	None
Local government investment pools	N/A	None	None
Collateralized negotiable investments	5 years	None	50%

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

During the year ended June 30, 2015, the City's permissible investments for debt service fiscal agents included the following instruments:

<u>Minimum Maximum Authorized Investment Type</u>	<u>Maximum Credit Maturity</u>	<u>Investment in Quality</u>	<u>One Issuer</u>
U.S. Treasury obligations	None	None	None
U.S. Agency securities	None	None	None
Non-negotiable certificates of deposit	1 years	None	None
LAIF	N/A	None	None
Bankers acceptances	1 year	P1/A1	None
Local government securities	None	Highest	None
Commercial paper	None	P1	None
Investment agreements	None	None	None
Certificates of deposits, savings account, and			
Deposit accounts	None	None	None
Money market accounts	None	Aaa, Aa1	None

The City complied with the provisions of California Government Code (or the City's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2015:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Taxes	\$ 1,241,809	\$ -	\$ -	\$ 1,241,809
Interest	58,588	-	-	58,588
Intergovernmental grants	21,742	-	-	21,742
Service charges	4,872	4,385,138	411,938	4,801,948
Loans	780,344	-	-	780,344
Expense reimbursements	4,946,610	-	-	4,946,610
	<u>\$ 7,053,965</u>	<u>\$ 4,385,138</u>	<u>\$ 411,938</u>	<u>\$ 11,851,041</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Nondepreciable						
Land	\$ 4,011,345	\$ 4,161,345	\$ 576,842	\$ 576,842	\$ 4,588,187	\$ 4,738,187
Construction in progress	1,351,676	3,132,696	20,148,445	11,806,747	21,500,121	14,939,443
Depreciable property						
Infrastructure, net	32,542,308	32,025,934	-	-	32,542,308	32,025,934
Sewer Plant	-	-	15,301,226	15,566,725	15,301,226	15,566,725
Building and improvements, net	8,128,795	8,591,852	29,332,299	28,661,388	37,461,094	37,253,240
Machinery and equipment, net	2,591,397	2,388,829	7,275,569	6,815,591	9,866,966	9,204,420
Total	\$48,625,521	\$50,300,656	\$72,634,381	\$63,427,293	\$121,259,902	\$113,727,949

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Capital asset activity for the year ended June 30, 2015 for governmental activities was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
GOVERNMENTAL ACTIVITIES				
Cost of property				
Non-depreciable property				
Land	\$ 4,161,345	\$ 600,000	\$ (750,000)	\$ 4,011,345
Construction in progress	3,132,696	276,025	(2,057,045)	1,351,676
Depreciable property				
Infrastructure	74,615,032	2,246,995	-	76,862,027
Buildings and improvements	14,911,981	-	-	14,911,981
Machinery and equipment	10,780,891	737,280	(20,481)	11,497,690
Total cost	<u>107,601,945</u>	<u>3,860,300</u>	<u>(2,827,526)</u>	<u>108,634,719</u>
Accumulated depreciation				
Infrastructure	(42,589,098)	(1,730,621)	-	(44,319,719)
Buildings and improvements	(6,320,129)	(463,059)	-	(6,783,188)
Machinery and equipment	(8,392,062)	(534,712)	20,481	(8,906,293)
Total accumulated depreciation	<u>(57,301,289)</u>	<u>(2,728,392)</u>	<u>20,481</u>	<u>(60,009,200)</u>
Net Book Value				
Non-depreciable property				
Land	4,161,345	600,000	(750,000)	4,011,345
Construction in progress	3,132,696	276,025	(2,057,045)	1,351,676
Depreciable property				
Infrastructure	32,025,934	516,374	-	32,542,308
Buildings and improvements	8,591,853	(463,059)	-	8,128,794
Machinery and equipment	2,388,830	202,568	-	2,591,398
Net book value	<u>\$ 50,300,658</u>	<u>\$ 1,131,908</u>	<u>\$(2,807,045)</u>	<u>\$ 48,625,521</u>

Depreciation expense for governmental activities for the year ended June 30, 2015 was as follows:

General government	\$ 372,675
Public safety	349,498
Public works	25,775
Highway and streets	1,702,777
Parks and recreation	227,634
Library	22,962
Community development	27,071
Total depreciation expense	<u>\$ 2,728,392</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Capital asset activity for the year ended June 30, 2015 for business-type activities was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
BUSINESS-TYPE ACTIVITIES				
Cost of Property				
Water				
Land	\$ 76,842	\$ -	\$ -	\$ 76,842
Construction in progress	7,113,893	6,080,647	(1,205,533)	11,989,007
Buildings and improvements	20,232,931	1,456,268	-	21,689,199
Machinery and equipment	3,595,427	41,615	(20,984)	3,616,058
Total cost	31,019,093	7,578,530	(1,226,517)	37,371,106
Stormwater				
Construction in progress	1,040,291	846,425	(106,381)	1,780,335
Buildings and improvements	1,577,475	-	-	1,577,475
Machinery and equipment	916,523	22,743	-	939,266
Total cost	3,534,289	869,168	(106,381)	4,297,076
Wastewater				
Construction in progress	3,652,564	3,279,620	(553,080)	6,379,104
Sewer plant	25,427,294	751,590	-	26,178,884
Buildings and improvements	18,667,718	576,212	-	19,243,930
Machinery and equipment	3,090,321	0	-	3,090,321
Total cost	50,837,898	4,607,422	(553,080)	54,892,239
Cable Television				
Land	500,000	-	-	500,000
Construction in progress	-	-	-	-
Buildings and improvements	3,030,888	-	-	3,030,888
Machinery and equipment	15,310,758	1,509,994	-	16,820,752
Total cost	18,841,645	1,509,994	-	20,351,640
Total cost of property	<u>\$104,232,925</u>	<u>\$ 14,565,114</u>	<u>\$(1,885,978)</u>	<u>\$ 116,912,061</u>
Total Cost By Category				
Non-depreciable property				
Land	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in progress	11,806,748	10,206,692	(1,864,994)	20,148,446
Depreciable property				
Sewer plant	25,427,294	751,590	-	26,178,884
Buildings and improvements	43,509,012	2,032,480	-	45,541,492
Machinery and equipment	22,913,029	1,574,352	(20,984)	24,466,397
Total cost	<u>\$104,232,925</u>	<u>\$ 14,565,114</u>	<u>\$(1,885,978)</u>	<u>\$ 116,912,061</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Accumulated depreciation for business-type activities was as follows:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Accumulated Depreciation				
Water				
Buildings and improvements	\$ (7,915,231)	\$ (600,845)	\$ -	\$ (8,516,076)
Machinery and equipment	(2,796,652)	(164,043)	20,984	(2,939,711)
Total	(10,711,883)	(764,888)	20,984	(11,455,787)
Stormwater				
Buildings and improvements	(106,576)	(73,130)	-	(179,706)
Machinery and equipment	(427,936)	(40,681)	-	(468,617)
Total	(534,512)	(113,811)	-	(648,323)
Wastewater				
Sewer plant	(9,860,567)	(1,017,091)	-	(10,877,658)
Buildings and improvements	(4,528,146)	(563,635)	-	(5,091,781)
Machinery and equipment	(793,094)	(242,097)	-	(1,035,191)
Total	(15,181,807)	(1,822,823)	-	(17,004,630)
Cable Television				
Buildings and improvements	(2,297,672)	(123,958)	-	(2,421,630)
Machinery and equipment	(12,079,758)	(667,552)	-	(12,747,310)
Total	(14,377,430)	(791,510)	-	(15,168,940)
Total accumulated depreciation	<u>\$ (40,805,632)</u>	<u>\$ (3,493,032)</u>	<u>\$ 20,984</u>	<u>\$ (44,277,680)</u>
Total Accumulated Depreciation By Category				
Depreciable property:				
Sewer plant	\$ (9,860,567)	\$ (1,017,091)	\$ -	\$ (10,877,658)
Buildings and improvements	(14,847,625)	(1,361,568)	-	(16,209,193)
Machinery and equipment	(16,097,440)	(1,114,373)	20,984	(17,190,829)
Total accumulated depreciation	<u>\$ (40,805,632)</u>	<u>\$ (3,493,032)</u>	<u>\$ 20,984</u>	<u>\$ (44,277,680)</u>
Net Book Value				
Non-depreciable property				
Land:	\$ 576,842	\$ -	\$ -	\$ 576,842
Construction in progress	11,806,748	10,206,692	(1,864,994)	20,148,446
Depreciable property:				
Sewer plant	15,566,727	(265,501)	-	15,301,226
Buildings and improvements	28,661,387	670,912	-	29,332,299
Machinery and equipment	6,815,589	459,979	-	7,275,568
Total net book value	<u>\$ 63,427,293</u>	<u>\$ 11,072,082</u>	<u>\$ (1,864,994)</u>	<u>\$ 72,634,381</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Depreciation and amortization expense for business-type activities for the year ended June 30, 2015 was as follows:

Water	\$ 764,888
Stormwater	113,811
Wastewater	805,732
Cable television	791,510
Total depreciation expense	2,475,941
Wastewater - amortization	1,017,091
Total depreciation and amortization	<u>\$ 3,493,032</u>

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2015:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 3,656,907	\$ 4,880,913	\$ 1,078,180	\$ 9,616,000
Deposits	725,084	103,683	153,277	982,044
Accrued payroll	1,944,265	-	-	1,944,265
Other accrued liabilities	-	199,622	1,382	201,004
Due to San Bruno Community Foundation	-	-	69,745,298	69,745,298
Total	<u>\$ 6,326,256</u>	<u>\$ 5,184,218</u>	<u>\$ 70,978,137</u>	<u>\$ 82,488,611</u>

These amounts resulted in the following concentrations in payables:

Vendor	12%
San Bruno Community Foundation Trust	85%
Deposits	1%
Employees	2%

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2015:

	Balance July 1, 2014 as restated	Additions	Retirements	Balance June 30, 2015	Due within one year
Governmental activities					
Pension Obligation Bond	\$ 12,045,000	\$ -	\$ (785,000)	\$ 11,260,000	\$ 795,000
Pension Obligation Bond - Discounts	(253,733)	-	19,518	(234,215)	(19,518)
Capital lease obligations	176,562	-	(33,289)	143,273	34,271
Compensated absences	2,536,499	595,251	(630,464)	2,501,286	1,378,571
Liability for claims	3,286,000	627,633	(950,633)	2,963,000	-
Net pension liability - Misc.	22,445,441	-	(4,026,503)	18,418,938	-
Net pension liability - Safety	33,556,853	-	(8,214,965)	25,341,888	-
Other post employment benefits	15,520,000	2,395,600	-	17,915,600	-
Total governmental activities	<u>\$ 89,312,622</u>	<u>\$ 3,618,484</u>	<u>\$ (14,621,336)</u>	<u>\$ 78,309,770</u>	<u>\$ 2,188,324</u>

Governmental Activities:

2013 Pension Obligation Bonds

During January 2013 the City issued \$13,175,000 in Series 2013 Pension Obligation Bonds in order to pay-off amounts owed for the City's CalPERS "side-fund." Principal payments are due annually on June 1 while interest payments are due semi-annually on June 1 and December 1. True interest cost is 4.05%.

The Pension Obligation Bond debt represents a refunding of a debt that the City owed to CalPERS. The issuance of the Pension Obligation Bonds reduced the interest rate on this debt from 7.5% to just over 4%. The debt service payments are funded through savings achieved in the City's employer contribution rate, which decreased from 36.604% to 24.706% after the payoff of the side fund. Payments are made out of the debt service fund.

Capital Lease Obligation

During August 2011, the City entered into a \$540,306 capital lease-purchase agreement with JP Morgan Chase Bank, N.A. to finance a fire truck. Principal and interest payments are due annually on September 15 with an interest rate of 2.95%. Payments are made out of the debt service fund.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Compensated Absences

Compensated absences at June 30, 2015, amounted to \$2,501,289 and \$547,896 for the governmental activities and business-type activities respectively. The City utilizes a methodology based upon actual vacation and sick leave usage in the fund in which the related compensation is paid. All governmental balances are liquidated through the General Fund. There is no fixed payment schedule for compensated absences.

Claims Payable

With the implementation of Governmental Accounting Standards Board Statement No. 10, "Accounting for Financial Reporting for Risk Financing and Related Insurance Issues" the Self-insurance Internal Service Fund reflects the financial effect of risk financing activities of \$2,963,000 (see Note 11 for further discussion). Claims are paid in the form of internal charges based upon departmental claims activity.

The annual debt service requirements to maturity for all Governmental Activity amounts, except compensated absences and claims payable, at June 30, 2015, were as follows:

Year Ending June 30,	Governmental Activities				Totals	
	Pension Obligation Bond		Capital Lease Obligation			
	Principal	Interest	Principal	Interest	Principal	Interest
	2016	\$ 795,000	\$ 380,714	\$ 34,271	\$ 4,227	\$ 829,271
2017	815,000	364,019	35,282	3,216	850,282	367,235
2018	830,000	345,681	36,323	2,175	866,323	347,856
2019	855,000	324,931	37,397	1,103	892,397	326,034
2020	880,000	300,350	-	-	880,000	300,350
2021-2025	4,865,000	1,020,400	-	-	4,865,000	1,020,400
2026-2027	2,220,000	134,000	-	-	2,220,000	134,000
Total	<u>\$ 11,260,000</u>	<u>\$ 2,870,095</u>	<u>\$ 143,273</u>	<u>\$ 10,721</u>	<u>\$ 11,403,273</u>	<u>\$ 2,880,816</u>
Due with in one year	\$ 795,000	\$ 380,714	\$ 34,271	\$ 4,227	\$ 829,271	\$ 384,941
Due after one year	10,465,000	2,489,381	109,002	6,494	10,574,002	2,495,875
Total	<u>\$ 11,260,000</u>	<u>\$ 2,870,095</u>	<u>\$ 143,273</u>	<u>\$ 10,721</u>	<u>\$ 11,403,273</u>	<u>\$ 2,880,816</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The following is a summary of changes in long-term debt for business-type activities for the year ended June 30, 2015:

	Balance July 1, 2014 as restated	Additions	Retirements	Balance June 30, 2015	Due within one year
Business-type activities					
2013 Wastewater Revenue					
Refunding Bonds	\$ 6,955,000	\$ -	\$ (290,000)	\$ 6,665,000	\$ 260,000
Premium on Refunding Bonds	339,634	-	(17,876)	321,758	17,875
Capital lease obligations	36,946	-	(36,946)	-	-
Compensated absences	527,079	133,135	(112,318)	547,896	383,114
Net pension liability	11,906,321	-	(2,135,883)	9,770,438	-
Due to City of South San Francisco					
1999 Loan	4,677,138	-	(467,945)	4,209,193	480,112
2007 Loan	4,702,887	-	(340,899)	4,361,988	349,421
Total business-type activities	<u>\$ 29,145,005</u>	<u>\$ 133,135</u>	<u>\$ (3,401,867)</u>	<u>\$ 25,876,273</u>	<u>\$ 1,490,522</u>

Business-Type Activities:

2013 Wastewater Revenue Refunding Bonds

In August 2013, the City paid off the remaining balance or \$7.56 million of 2002 Certificates of Participation by placing the proceeds of new Wastewater Revenue Refunding Bonds in an irrevocable trust to provide for all future debt services payments on the old bonds. All of the amounts held in the escrow fund were applied to pay the prepayment price of the 2002 certificates and, therefore, the 2002 Certificates of Participation were paid-off as of June 30, 2014.

Capital Lease Obligations

At June 30, 2015, Business-type capital lease obligations consisted of the following:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due within one year
Commercial services	\$ 36,946	\$ -	\$ (36,946)	\$ -	\$ -

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Commercial Services Project

On August 25, 2009, the City entered into a \$1,609,267 capital lease with Key Government Finance, Inc. to purchase servers, routers, switches, and related equipment for the Commercial Data and Voice Project. Principal and interest payments are due on the 25th of each month with an interest rate of 4.756%. The lease was paid off as of June 30, 2015.

The annual debt service requirements to maturity for all business-type activity amounts, except compensated absences and claims payable, at June 30, 2015, were as follows:

Year Ending June 30,	Business-type Activities					
	2013					
	Wastewater Revenue Refunding Bonds		Due to South San Francisco		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 260,000	\$ 277,388	\$ 829,533	\$ 218,489	\$ 1,089,533	\$ 495,877
2017	265,000	268,775	850,752	197,270	1,115,752	466,045
2018	280,000	258,975	872,513	175,509	1,152,513	434,484
2019	285,000	247,575	894,831	153,191	1,179,831	400,766
2020	295,000	235,775	917,720	130,301	1,212,720	366,076
2021-2025	1,675,000	971,825	3,758,545	302,463	5,433,545	1,274,288
2026-2030	2,110,000	523,275	447,287	11,182	2,557,287	534,457
2031-2033	1,495,000	69,075	-	-	1,495,000	69,075
Total	\$ 6,665,000	\$ 2,852,663	\$ 8,571,181	\$ 1,188,405	\$ 15,236,181	\$ 4,041,068
Due with in one year	\$ 260,000	\$ 277,388	\$ 829,533	\$ 218,489	\$ 1,089,533	\$ 495,877
Due after one year	6,405,000	2,575,275	7,741,648	969,916	14,146,648	3,545,191
Total	\$ 6,665,000	\$ 2,852,663	\$ 8,571,181	\$ 1,188,405	\$ 15,236,181	\$ 4,041,068

The following is a summary of changes in long-term debt for fiduciary funds for the year ended June 30, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due within one year
Fiduciary activities					
2000 Certificates of Participation	\$ 7,170,000	\$ -	\$ (275,000)	\$ 6,895,000	\$ 285,000

Fiduciary Funds:

2000 Certificates of Participation

During December 2000 the City issued \$9,600,000 in Series 2000 Certificates of Participation for the construction of a police facility. Principal payments are due annually on February 1 and interest payments are due semi-annually on February 1 and August 1. Interest rates range from 5.25% to 7.00%.

As of July 1, 2014 the Redevelopment Agency Obligation Retirement Trust Fund has agreed under a separate agreement to assume this obligation which also eliminates the receivable due to the City from the Trust Fund.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The annual debt service requirements to maturity for all fiduciary debt amounts, at June 30, 2015, were as follows:

Year Ending June 30,	Fiduciary Funds	
	2000	
	Certificates of Participation	
	Principal	Interest
2016	\$ 285,000	\$ 359,868
2017	300,000	345,618
2018	315,000	330,468
2019	335,000	314,403
2020	350,000	297,150
2021-2025	2,050,000	1,189,125
2026-2030	2,645,000	592,463
2031	615,000	32,288
Total	<u>\$ 6,895,000</u>	<u>\$ 3,461,382</u>
Due with in one year	\$ 285,000	\$ 359,868
Due after one year	6,610,000	3,101,514
Total	<u>\$ 6,895,000</u>	<u>\$ 3,461,382</u>

NOTE 7 - CITY OF SOUTH SAN FRANCISCO SEWER PLANT AGREEMENT

The City entered into a joint-ownership agreement with the City of South San Francisco (SSF) to operate a water quality control plant and appurtenant facilities to service both communities. The agreement was entered into in January 1947 and has numerous subsequent amendments that detail various aspects in sharing the capital investment (including related debt service) and operating expenses related to the joint sewage plant. Operating costs of the enterprise are shared in accordance with a formula and division of operation and maintenance cost set forth in an agreement dated April 3, 1972. The most recent arrangement indicates that the City shares in 25.82% of the plant capacity. There are no separately issued financial statements for this agreement.

The City's share of operating expenses for 2014-15 was \$2,994,656 and is included in treatment expenses in the Statement of Revenues, Expenses and Changes in Net Position in the Fund Financial Statements. The City also shares in the cost of on-going capital improvements, which are capitalized and depreciated over a 25-year period. During 2014-15, the City paid \$751,591 to SSF for these improvements.

To finance the expansion of the water quality control plant, the State Water Resources Control Board issued loans directly to SSF totaling \$81,253,444 (\$8.8 million in October 1994, \$50.6 million in August 2003 and \$21.9 million in April 2007). Loan proceeds were disbursed as the projects progressed and debt service payments commenced one year after project completion. As a result of the joint ownership agreement, the City is obligated to SSF for its portion of the loans and are classified as due to SSF as shown in Note 6. The City's portion that was financed through this agreement totaled \$19,170,177 depreciable and payable over a 25 year period.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital Investments				
Financed	\$ 19,170,177	\$ -	\$ -	\$ 19,170,177
Contributed	6,257,116	751,591	-	7,008,707
Total capital investments	<u>25,427,293</u>	<u>751,591</u>	<u>-</u>	<u>26,178,884</u>
Accumulated Depreciation				
Financed	(8,341,860)	(766,807)	-	(9,108,667)
Contributed	(1,518,707)	(250,285)	-	(1,768,992)
Total accumulated depreciation	<u>(9,860,567)</u>	<u>(1,017,091)</u>	<u>-</u>	<u>(10,877,659)</u>
Net Book Value				
Financed	10,828,317	(766,807)	-	10,061,510
Contributed	4,738,409	501,306	-	5,239,715
Total net book value	<u>\$ 15,566,726</u>	<u>\$ (265,501)</u>	<u>\$ -</u>	<u>\$ 15,301,225</u>

The City's share of the loan obligations is summarized as follows:

	SSF Original Loan	City's Share	SSF Loan Balance June 30, 2015	City's Share Loan Balance June 30, 2015	City's Share %
1993 Capital Project State Water Resource Loan	\$ 8,842,852	\$ 2,918,141	\$ -	\$ -	0%
1999 Capital Project State Water Resource Loan	50,553,782	9,104,859	23,371,118	4,209,193	18%
2007 Capital Project State Water Resource Loan	<u>21,856,810</u>	<u>7,147,177</u>	<u>13,339,412</u>	<u>4,361,988</u>	33%
	<u>\$ 81,253,444</u>	<u>\$ 19,170,177</u>	<u>\$ 36,710,530</u>	<u>\$ 8,571,181</u>	

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8 - DEFICIT NET POSITION AND FUND BALANCES

Deficit net position consisted of the following:

Enterprise Fund:

Cable Fund (\$5,716,413) will be funded through future service charges and expense reductions.

Deficit fund balances consisted of the following:

Non-major Fund:

Federal/State Grants Special Revenue Fund (\$21,919) will be funded through future revenue on cost-reimbursement grants.

Agency on Aging Special Revenue Fund (\$45,250) will be funded through future revenue on cost-reimbursement grants.

NOTE 9 - EXCESS EXPENDITURES OVER APPROPRIATIONS

The following governmental funds had an excess of expenditures over appropriations:

Non-major Funds:

Area Agency on Aging Fund (\$53,170), which was covered by current year revenues.

Federal and State Special Revenue Fund (\$97,442), which was covered by current year revenues.

Gas Tax Special Revenue Fund (\$1,416), which was covered by current year revenues.

Police Asset Seizure Special Revenue Fund (\$31,293), which was covered by current year revenues.

Restricted Donation Fund (\$192,112), which was covered by current year revenues and existing fund balance.

General Debt Service Fund (\$1,885), which was covered by existing fund balance.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10 - INTERFUND TRANSACTIONS

Due to/from other funds

Due to and due from other funds consisted of the following as of June 30, 2015:

	Due from other funds	Due to other funds
Major Funds		
Governmental activities		
General Fund	\$ 7,265,244	\$ -
Business-type activities		
Cable Television	-	7,200,432
Nonmajor Funds		
Governmental activities		
Special Revenue funds		
Agency on Aging	-	59,010
Federal/State Grants	-	5,802
Total	<u>\$ 7,265,244</u>	<u>\$ 7,265,244</u>

Due to and from balances are a result of uncollected amounts or unreimbursed costs to be received or paid within 60 days of year end.

Advances to/from other funds

The General Equipment Reserve Internal Service Fund advanced funds during the former Redevelopment Agency's inception to improve commercial and residential neighborhoods and to stimulate private investment in the oldest parts of the City. The Redevelopment Agency ceased operations pursuant to ABx1 26 on February 1, 2012. The Department of Finance approved repayment of advances owed the City on December 24, 2013 through the Recognized Obligation Payment Schedule (ROPS) process.

	Advances To Other Funds	Advances From Other Funds
Fiduciary Funds		
Redevelopment Agency Obligation Retirement Trust fund	\$ -	\$ 2,107,255
Nonmajor Funds		
Governmental activities		
Internal Service Fund		
General Equipment Revolving fund	2,107,255	-
Total	<u>\$ 2,107,255</u>	<u>\$ 2,107,255</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Transfers In/Out other funds

Transfers consisted of the following at June 30, 2015:

Transfer From	Transfer To	Amount
General Fund	CIP Reserve Fund	\$ 2,112,493 e
	Non-major Governmental Funds	1,216,489 d, f
	Internal Service Funds	430,584 b
		<u>3,759,566</u>
CIP Reserve Fund	Street Improvement Capital Projects Fund	1,138,375 c
	Non-major Governmental Funds	881,250 c
	Stormwater Fund	550,000 c
		<u>2,569,625</u>
Measure A Transportation Tax Fund	Street Improvement Capital Projects Fund	<u>323,926 c</u>
Disaster Recovery Fund	Water Fund	326,183 c
	Stormwater Fund	686,297 c
	Wastewater Fund	326,183 c
		<u>1,338,663</u>
Non-major Governmental Funds	General Fund	1,023,095 a
	Street Improvement Capital Projects Fund	617,500 c
	Non-major Governmental Funds	156,000 c
		<u>1,796,595</u>
RDA Obligation Retirement Trust Fund	General Fund	123,066 a
	Non-major Governmental Funds	151,252 f
		<u>274,318</u>
Water Fund	Non-major Governmental Funds	58,750 c
Wastewater Fund	Non-major Governmental Funds	53,250 c
Cable Television fund	Non-major Governmental Funds	8,250 c
Internal Service Fund	Non-major Governmental Funds	30,000 c
		<u>150,250</u>
Total funds transferred		<u>\$ 10,212,943</u>

Interfund transfers were principally used for the following purposes:

- (a) Salaries & overhead
- (b) Reimburse Equipment Replacement expenditure
- (c) Capital project funding
- (d) Fund debt service expenditure
- (e) To allocate funds for CIP Reserves
- (f) Set aside for operating expenditure

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Transfers In/Out other funds

Transfers reflect amounts recorded in the General Fund, Special Revenue, Enterprise and Internal Service Funds for specific operating activities, shared capital projects or debt service and costs amongst funds, outlined as follows:

- \$5.6 million was transferred for capital projects funding, capital equipment purchase, and reimbursements for utility infrastructure improvements. Funds primarily from Gas Tax, Measure A, Capital Improvement/One-Time Initiative Fund, Enterprise Funds, Internal Service Funds, and Emergency Disaster Fund supported work efforts such as: Fire Station 51 kitchen rehabilitation, Corporation Yard facility improvements, Lara Field safety improvements and Crestmoor Field irrigation replacement, street rehabilitation, sidewalk repairs, and geographic information system infrastructure upgrade and expansion. Work in the Crestmoor Neighborhood consisted of rebuilding waterlines, sewer, and storm drainage, and final design and construction of upper sewer laterals.
- \$1.3 million was transferred for specific community program delivery such as public safety operations, street operations, library resource sharing and inter-library loan cooperation, and senior nutrition and transportation services.
- \$0.7 million from One-Time Revenue Fund was transferred to the General Fund Reserve to meet the target reserve level. \$2.1 million was transferred from One-Time Revenue Fund and the General Fund to the Capital Improvement/One-Time Initiative Fund to reach its maximum fund balance per the City's Reserve Policy.
- The General Fund transferred \$1.2 million to the General Debt Service Fund for pension obligation bond and fire truck capital lease principal and interest payments.

NOTE 11 - RISK MANAGEMENT

The City participates in the Association of Bay Area Government Plan Corporation (ABAG Plan), a non-profit benefit corporation established to provide liability insurance coverage, claims, risk management, and legal defense to its participating members. The ABAG Plan provides \$5,000,000 per occurrence of general liability and automobile coverage, \$25,000,000 excess liability coverage per occurrence, \$20,000,000 of catastrophic liability coverage, and is responsible for paying the claims in excess of the City's \$100,000 self-insurance retention. ABAG Plan also provides for property coverage up to \$1 billion per occurrence subject to lower categorical sub-limits in excess of the City's self-insurance retention of \$5,000 for property and vehicle loss.

The retained earnings/net position of the self-insurance funds, which are categorized as Governmental Activities, represent amounts set aside for possible additional losses after providing for actuarially determined liabilities for claims including claims adjustment expenses.

No claim settlement exceeded either this self-insured amount or the insurance coverage for any of the past three years.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Fiscal Year	Beginning of the Year	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of the Year
2014-2015	\$ 3,286,000	\$ 627,633	\$ (950,633)	\$ 2,963,000
2013-2014	3,056,000	951,380	(721,380)	3,286,000
2012-2013	2,190,469	1,367,043	(501,512)	3,056,000

NOTE 12 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plan – CalPERS Miscellaneous

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and the City's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% at 55	2.0% at 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	57 - 62
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	20.913%	20.913%

Employees Covered – At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

Inactive employees or beneficiaries currently receiving benefits	201
Inactive employees entitled to but not yet receiving benefits	61
Active employees	257
Total	519

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Classic and New member are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for the Plan were \$2,379,268 for employer contributions.

Net Pension Liability - The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability follows.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Actuarial Assumptions - The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Projected Salary Increase	Varies by Entry-Age and Service.
Investment Rate of Return	7.50% (1)
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.3%	5.7%
Global Fixed Income	19.0%	1.0%	2.4%
Inflation Sensitive	6.0%	0.5%	3.4%
Private Equity	12.0%	6.8%	7.0%
Real Estate	11.0%	4.5%	5.1%
Infrastructure and Forestland	3.0%	4.5%	5.1%
Liquidity	2.0%	-0.6%	-1.1%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Changes in the Net Pension Liability - The changes in the Net Pension Liability for the Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2014	\$ 106,268,748	\$ 71,916,986	\$ 34,351,762
Changes in the year:			
Service cost	2,202,577	-	2,202,577
Interest on the total pension liability	7,873,939	-	7,873,939
Differences between actual and expected	-	-	-
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Contribution - employer	-	2,379,268	(2,379,268)
Contribution - employee	-	1,401,279	(1,401,279)
Net investment income	-	12,458,355	(12,458,355)
Administrative expenses	-	-	-
Benefit payments, including refunds of employee contributions	(4,768,345)	(4,768,345)	-
Net changes	5,308,171	11,470,557	(6,162,386)
Balance at June 30, 2015	\$ 111,576,919	\$ 83,387,543	\$ 28,189,376

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Net Pension Liability	\$ 43,027,220	\$ 28,189,376	\$ 15,922,440

Pension Plan Fiduciary Net Position - Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2015, the City recognized pension expense of \$1,923,127. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,485,452	\$ -
Net differences between projected and actual earnings	-	(5,706,245)
Total	<u>\$ 2,485,452</u>	<u>\$ (5,706,245)</u>

\$2,485,452 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

Year Ended June 30	Deferred Inflows of Resources
2016	\$ (1,426,561)
2017	(1,426,561)
2018	(1,426,561)
2019	(1,426,562)
	<u>\$ (5,706,245)</u>

General Information about the Pension Plan - Safety

Plan Description - All qualified permanent and probationary employees are eligible to participate in the City's Safety Employee Pension Plans, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and the City's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 or 52, depending on hire date, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% at 50	2.7% at 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 57
Required employee contribution rates	9.000%	11.500%
Required employer contribution rates	27.849%	11.500%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, contributions recognized as part of pension expense were as follows:

Safety Plan - \$3,143,700 for employer contributions.
Safety Plan, PEPRA - \$15 for employer contributions.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2015, the City's reported net pension liability for its proportionate shares of the net pension liability of each plan is as follows:

Proportionate Share of Net Pension Liability	
Safety Plan	\$ 25,341,764
Safety Plan, PEPRA	124
Total Net Pension Liability	<u>\$ 25,341,888</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The City's net pension liability is measured as the proportionate share of each Plan's net pension liability. The net pension liability is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability as of June 30, 2013 and 2014 was as follows:

	Safety Plan	Safety Plan, PEPPRA	Total
Proportion - June 30, 2013	\$ 33,556,689	\$ 164	\$ 33,556,853
Proportion - June 30, 2014	25,341,764	124	25,341,888
Change - Increase (Decrease)	<u>\$ (8,214,925)</u>	<u>\$ (40)</u>	<u>\$ (8,214,965)</u>

For the year ended June 30, 2015, the City recognized pension expense of \$2,390,900 for the Safety plan, and pension credit of \$6,987 for Safety PEPPRA plan. On June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,600,052	\$ -
Net differences between projected and actual earnings	-	(8,615,498)
Adjustment due to differences in proportions	196,391	253,670
Total	<u>\$ 2,796,443</u>	<u>\$ (8,361,828)</u>

Reported as deferred outflows of resources related to contributions subsequent to the measurement date is \$2,600,052, which will be recognized as a component of pension expense in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2016	\$ (1,993,139)
2017	(1,993,139)
2018	(2,025,286)
2019	(2,153,873)
	<u>\$ (8,165,437)</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Actuarial Assumptions - The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions for the Public safety and PEPRAs Public Safety plans:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions	
Discount Rate	7.50%
Inflation	2.75%
Projected Salary Increase	Varies by Entry-Age and Service.
Investment Rate of Return	7.50% (1)
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plan run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns.

The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.3%	5.7%
Global Fixed Income	19.0%	1.0%	2.4%
Inflation Sensitive	6.0%	0.5%	3.4%
Private Equity	12.0%	6.8%	7.0%
Real Estate	11.0%	4.5%	5.1%
Infrastructure and Forestland	3.0%	4.5%	5.1%
Liquidity	2.0%	-0.6%	-1.1%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Net Pension Liability - Safety Plan	\$ 43,609,893	\$ 25,341,764	\$ 10,289,613
Net Pension Liability - Safety Plan, PEPRA	\$ 213	\$ 124	\$ 50

Pension Plan Fiduciary Net Position - Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13 - POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description: The City of San Bruno contracts with the Teamsters Local #856 Health and Welfare Trust Fund to provide health benefits to both active and retired employees. The City provides no direct financial contribution towards retiree health benefits; however, due to the fact that retirees and active employees are insured in the same pool it indirectly subsidizes their premiums through payments for current employees. At this time, the City has not established a trust for the purpose of holding assets accumulated for plan benefits.

Eligibility: Employees (and their dependents) are eligible for retiree health benefits if they retire from the City on or after age 55 with at least 10 years of service (with 12 continuous months prior to date of retirement) and are eligible for a CalPERS pension. Membership of the plan consisted of the following at June 30, 2013, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	120
Other participants fully eligible for benefits	56
Other participants not yet fully eligible for benefits	171
Total	<u>347</u>

City's Funding Policy: The Teamsters Local #856 Health and Welfare Trust Fund determine the contribution requirements of the City. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2014-15, the City's estimated benefit payment was \$1,159,100 to the plan; this amount is different than the City's actual contribution to the Teamsters Local #856 Health and Welfare Fund since this is the calculated benefit cost for the City's retirees and includes the cost of implicit subsidies where applicable.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$ 3,814,000
Interest on net OPEB obligation	620,800
Adjustment to annual required contribution	<u>(880,100)</u>
Annual OPEB cost (expense)	3,554,700
Contributions made (including premium paid)	<u>(1,159,100)</u>
Increase in net OPEB obligation	2,395,600
Net OPEB obligation, beginning of year	<u>15,520,000</u>
Net OPEB obligation, end of year	<u>\$ 17,915,600</u>

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 3,554,700	32.61%	\$ 17,915,600
6/30/2014	3,881,000	29.17%	15,520,000
6/30/2013	3,942,800	26.22%	12,770,900

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2013, was as follows:

	2013	2012	2011
Actuarial accrued liability (AAL)	\$ 43,170,600	\$ 46,746,800	\$41,558,300
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	43,170,600	46,746,800	41,558,300
Funded Ratio (actuarial value of plan Assets/AAL)	0%	0%	0%
Covered payroll (active plan members)	20,812,300	20,954,900	21,169,200
UAAL as a percentage of covered payroll	207%	223%	196%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations. The actuarial assumptions included (a) 4% of investment rate of return (net of administrative expenses) (b) a discount rate of 4%, (c) 7.75% to 4.5% health care trend, and (d) inflation rate of 3.5%.

The actuarial cost method used for determining the benefit obligations is the modified "Projected Unit Credit" Cost Method. The actuarial assumptions included a 4 percent investment rate of return, which is the expected long-term rate of return on the City's pooled investments (per GASB 43/45 guidelines for this assumption), and a healthcare cost trend rate of 4.5 percent for all benefit costs. The UAAL is being amortized using a level dollar method on an open basis over 30 years.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

NOTE 14 - CONTINGENCIES

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2015, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

NOTE 15 - LITIGATION

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, do not appear to have a materially adverse effect on the financial condition of the City.

NOTE 16 – RESERVE POLICY

The City established a reserve policy in January 2013 that created reserve funds to ensure the financial stability of the City, provide resources in the event of an emergency, and create a funding source for one-time capital projects and initiatives. The reserve funds are as follows:

General Fund Reserve – The General Reserve Fund shall be established with a goal of maintaining a target fund balance of 25% of the budgeted General Fund expenditures. The General Fund Reserve Fund balance shall not fall below 15% of General Fund operating expenditures except in a declaration of emergency.

The General Fund Reserve can only be utilized through resolution of the City Council. Appropriations of these funds will be reserved for the following situations:

- A decrease in revenues in excess of 5% of total budgeted General Fund revenues within one year.
- The loss of revenues from another government entity.
- One-time, non-recurring initiatives of the City Council deemed of significant importance to the City.

General Fund Contingency Fund – The General Fund Contingency Fund shall be established with a goal of maintaining a target fund balance of \$1.5 million. This fund can be utilized through resolution of the City Council for any appropriation deemed appropriate.

Emergency Disaster Reserve – An Emergency Disaster Reserve shall be established with a goal of maintaining a target fund balance of \$3 million. This fund is intended to be utilized in the event of a declaration of emergency that requires the expenditure of funds outside of the adopted budget.

The Emergency Disaster Reserve can only be utilized through resolution of the City Council declaring an emergency. Upon such declaration, it would be the intent of the City to utilize the Emergency Disaster Reserve for all costs associated with the City's response to the emergency situation prior to any other reserve funds.

CITY OF SAN BRUNO, CALIFORNIA

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Capital Improvement/One-Time Initiative Reserve – A Capital Improvement/One-Time Initiative Reserve Fund shall be established with a goal of obtaining an initial fund balance of \$5 million. This fund would be used for projects and initiatives throughout the City that have no other identifiable funding source.

The Capital Improvement/One-Time Initiative Reserve can only be utilized through resolution of the City Council. While this fund has an initial goal of \$5 million, funds shall continue to be added to this fund until it has reached a fund balance of \$8 million.

Internal Service Funds: Central Garage, Building and Facilities, Technology Reserves – The Central Garage, Building and Facilities, and Technology Reserves shall be funded at a target amount of 25% of budgeted department expenditures, not to drop below 15% except in a declaration of emergency. Once the Internal Service Funds Reserves have been funded at the target amount, all fund balance in excess of this amount can be used to fund one-time initiatives and/or to provide a reduction in allocations from departments in times of budget reductions.

NOTE 17 – RESTATEMENT

A prior period adjustment of \$63,349,576 was made to decrease the beginning net position. The adjustment was made to record beginning net pension liability and deferred outflows and deferred inflows of resources for contributions subsequent to the measurement date.

The restatement of beginning net position is summarized as follows.

Governmental activities	
Net position at June 30, 2014, as previously stated	\$ 56,768,934
Net pension liability adjustment	(56,002,294)
Deferred outflows	4,698,329
Deferred inflows	(963,945)
Net position at July 1, 2014, as restated	<u>\$ 4,501,024</u>

Business-type activities	
Net position at June 30, 2014, as previously stated	\$ 71,537,740
Net pension liability adjustment	(11,906,321)
Deferred outflows	824,654
Deferred inflows	-
Net position at July 1, 2014, as restated	<u>\$ 60,456,074</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS – MISCELLANEOUS PLAN FOR THE YEAR ENDED JUNE 30, 2015

Prepared for City of San Bruno, Miscellaneous Plan

Total Pension Liability

Measurement Period	2013-2014
Service Cost	\$ 2,202,577
Interest on total pension liability	7,873,939
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	(4,768,345)
Net change in total pension liability	5,308,171
Total pension liability - beginning	106,268,748
Total pension liability - ending (a)	\$ 111,576,919
Plan fiduciary net position	
Contributions - employer	\$ 2,379,268
Contributions - employee	1,401,279
Net investment income	12,458,355
Benefit payments	(4,768,345)
Net change in plan fiduciary net position	11,470,557
Plan fiduciary net position - beginning	71,916,986
Plan fiduciary net position - ending (b)	\$ 83,387,543
Net pension liability - ending (a)-(b)	\$ 28,189,376
Plan fiduciary net position as a percentage of the total pension liability	74.74%
Covered - employee payroll	11,820,838
Net pension liability as percentage of covered-employee payroll	238.47%

Notes to Schedule:

10 years of data is not available because this is the first year of implementation of the pension reporting standards.

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF PENSION CONTRIBUTIONS – MISCELLANEOUS PLAN FOR THE YEAR ENDED JUNE 30, 2015

Actuarially determined contribution	\$ 2,379,268
Contributions in relation to the actuarially determined contributions	(2,379,268)
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	11,820,838
Contributions as a percentage of covered-employee payroll	20.13%

Notes to Schedule:

Valuation date	June 30, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percentage of payroll closed
Asset Valuation Method	15 years smoothed market Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007
Mortality	Derived from CalPERS data for all funds

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – SAFETY PLAN FOR THE YEAR ENDED JUNE 30, 2015

Safety Plan

	2015 ⁽¹⁾
Proportion of the Net Pension Liability	0.40726%
Proportionate Share of the Net Pension Liability	\$ 25,341,764
Covered-Employee Payroll at the 2014 Measurement Date	\$ 8,917,722
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	284.17%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.42%

Safety Plan, PEPR

	2015 ⁽¹⁾
Proportion of the Net Pension Liability	0% ⁽²⁾
Proportionate Share of the Net Pension Liability	\$ 124
Covered-Employee Payroll at the Measurement Date	\$ 80,699
Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	0.15%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81.41%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) The percentage was de minimis and can't be shown in this table due to rounding

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF PENSION CONTRIBUTIONS – SAFETY PLAN FOR THE YEAR ENDED JUNE 30, 2015

	2015
Contractually required contribution (actuarially determined)	\$ 2,600,052
Contributions in relation to the actuarially determined contributions	<u>(2,600,052)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 8,917,722
Contributions as a percentage of covered-employee payroll	29.16%

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance w/ Amended Positive/(Negative)
REVENUES:				
Taxes	\$ 22,010,882	\$ 22,396,882	\$ 23,890,603	\$ 1,493,721
Licenses and permits	3,465,390	3,365,390	3,557,369	191,979
Intergovernmental	3,400,000	3,443,000	3,787,832	344,832
Charges for services	2,611,015	2,712,570	3,056,207	343,637
Fines and forfeitures	590,290	590,290	569,562	(20,728)
Use of money and property	1,449,399	1,449,399	1,553,781	104,382
Other revenues	3,383,913	3,483,678	3,900,094	416,416
Total revenues	36,910,889	37,441,209	40,315,448	2,874,239
EXPENDITURES:				
Current:				
General government	4,342,053	4,483,953	4,024,744	459,209
Public safety	20,859,111	21,955,126	21,803,921	151,205
Public works	739,859	765,019	972,093	(207,074)
Highways and streets	1,220,764	1,220,764	1,283,680	(62,916)
Parks and recreation	4,684,795	4,819,695	4,707,889	111,806
Library	1,756,226	1,768,226	1,709,509	58,717
Community development	1,962,159	2,287,222	2,235,971	51,251
Total expenditures	35,564,967	37,300,005	36,737,807	562,198
REVENUES OVER (UNDER)				
EXPENDITURES	1,345,922	141,204	3,577,641	3,436,437
OTHER FINANCING SOURCES (USES):				
Transfers in	1,143,800	1,057,800	1,146,161	88,361
Transfers out	(1,648,536)	(1,648,536)	(3,759,566)	(2,111,030)
Total other financing sources (uses)	(504,736)	(590,736)	(2,613,405)	(2,022,669)
Net change in fund balances	841,186	(449,532)	964,236	1,413,768
FUND BALANCES:				
Beginning of year	10,937,997	10,937,997	10,937,997	-
End of year	<u>\$ 11,779,183</u>	<u>\$ 10,488,465</u>	<u>\$ 11,902,233</u>	<u>\$ 1,413,768</u>

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROJECT RESERVE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Amended Positive/(Negative)
Transfers in	\$ -	\$ -	\$ 2,112,493	\$ 2,112,493
Transfers out	(1,126,835)	(2,569,625)	(2,569,625)	-
Net change in fund balances	(1,126,835)	(2,569,625)	(457,132)	2,112,493
FUND BALANCES:				
Beginning of year	7,650,675	7,650,675	7,650,675	-
End of year	<u>\$ 6,523,840</u>	<u>\$ 5,081,050</u>	<u>\$ 7,193,543</u>	<u>\$ 2,112,493</u>

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
EMERGENCY DISASTER RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:				
Investment income	\$ -	\$ -	\$ 7,903	\$ 7,903
Net change in fund balances	-	-	7,903	7,903
FUND BALANCES:				
Beginning of year	3,038,825	3,038,825	3,038,825	-
End of year	<u>\$ 3,038,825</u>	<u>\$ 3,038,825</u>	<u>\$ 3,046,728</u>	<u>\$ 7,903</u>

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
MEASURE A FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Amended Positive/(Negative)
REVENUES:				
Taxes	\$ 863,200	\$ 863,200	\$ 924,709	\$ 61,509
Use of money and property	3,960	3,960	13,003	9,043
Total revenues	<u>867,160</u>	<u>867,160</u>	<u>937,712</u>	<u>70,552</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,006,500)	(1,049,000)	(323,926)	725,074
Total other financing sources (uses)	<u>(1,006,500)</u>	<u>(1,049,000)</u>	<u>(323,926)</u>	<u>725,074</u>
Net change in fund balances	<u>(139,340)</u>	<u>(181,840)</u>	<u>613,786</u>	<u>795,626</u>
FUND BALANCES:				
Beginning of year	1,835,947	1,835,947	1,835,947	-
End of year	<u>\$ 1,696,607</u>	<u>\$ 1,654,107</u>	<u>\$2,449,733</u>	<u>\$ 795,626</u>

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL
DISASTER RECOVERY FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:				
Other revenues	\$ -	\$ -	\$ 6,481,038	\$ 6,481,038
EXPENDITURES:				
Current:				
General government	3,316,496	5,267,667	3,557,472	1,710,195
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(1,338,663)	(1,338,663)
Net change in fund balances	(3,316,496)	(5,267,667)	1,584,903	(1,338,663)
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ (3,316,496)	\$ (5,267,667)	\$ 1,584,903	\$ (1,338,663)

See accompanying note to required supplementary information.

CITY OF SAN BRUNO, CALIFORNIA

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1 - BUDGETARY INFORMATION

The City adopts a budget annually to be effective July 1. Budgeted expenditures are adopted through the passage of a resolution. This resolution constitutes the maximum authorized expenditures for the one year period and cannot legally be exceeded except by subsequent amendments of the budget by the City Council.

An operating budget is adopted every year for the General, Special Revenue, Enterprise Funds, and Capital Improvement Program Budget. Public hearings are conducted on the proposed budgets to review all appropriations and sources of financing. Capital projects are budgeted by the City over the term of the individual projects.

Expenditures are controlled at the fund level for all budgeted departments within the City. This is the level at which expenditures may not legally exceed appropriations. Budgeted amounts for the Combined Statement of Revenues, Expenditures and Other Financing Sources (Uses) – Budget and Actual include budget amendments approved by the Agency Board.

The budgets are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP).

Any amendments or transfers of appropriations between object group levels within the same department must be authorized by the City Manager. Any amendments to the total level of appropriations for a fund or transfers between funds must be approved by the City Council. Supplemental appropriations financed by unanticipated revenues during the year must be approved by the City Council.

Formal budgetary integration is employed as a management control device. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute GAAP basis expenditures or liabilities because the commitments will be honored during the subsequent year. The commitments will be re-appropriated and honored in the subsequent year.

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***COMBINING AND INDIVIDUAL FUND STATEMENTS
AND SCHEDULES***

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	\$ 3,544,969	\$ -	\$ -	\$ 648,178
Receivables:				
Taxes	-	-	-	27,844
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	21,742	-	-
Loans	-	-	-	-
Other	-	-	1,332	-
Total assets	<u>\$ 3,544,969</u>	<u>\$ 21,742</u>	<u>\$ 1,332</u>	<u>\$ 676,022</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 7,982	\$ 6,620	\$ -
Due to other funds	-	59,010	5,802	-
Deferred revenue	-	-	10,829	-
Total liabilities	<u>-</u>	<u>66,992</u>	<u>23,251</u>	<u>-</u>
Fund Balances:				
Restricted	3,544,969	13,760	-	676,022
Unassigned	-	(59,010)	(21,919)	-
Total fund balances (deficits)	<u>3,544,969</u>	<u>(45,250)</u>	<u>(21,919)</u>	<u>676,022</u>
Total liabilities and fund balances	<u>\$ 3,544,969</u>	<u>\$ 21,742</u>	<u>\$ 1,332</u>	<u>\$ 676,022</u>

Special Revenue Funds					
Library Special Revenue	Police Asset Seizure	Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up	Restricted Donations
\$ 202,761	\$ 58,314	\$ -	\$ 16,471	\$ 253,554	\$ 934,057
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4
<u>\$ 202,761</u>	<u>\$ 58,314</u>	<u>\$ -</u>	<u>\$ 16,471</u>	<u>\$ 253,554</u>	<u>\$ 934,061</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,579	\$ 1,705
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	6,579	1,705
202,761	58,314	-	16,471	246,975	932,356
-	-	-	-	-	-
<u>202,761</u>	<u>58,314</u>	<u>-</u>	<u>16,471</u>	<u>246,975</u>	<u>932,356</u>
<u>\$ 202,761</u>	<u>\$ 58,314</u>	<u>\$ -</u>	<u>\$ 16,471</u>	<u>\$ 253,554</u>	<u>\$ 934,061</u>

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS, CONTINUED
AS OF JUNE 30, 2015**

	<u>Special Revenue Funds</u>			<u>Special Revenue</u>
	<u>Streets</u>	<u>Traffic Safety</u>	<u>City as Successor Housing Agency</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 311,731	\$ 62,021	\$ 241,652	\$ 6,273,708
Receivables:				
Taxes	-	-	-	27,844
Intergovernmental subventions	-	-	-	-
Intergovernmental grants	-	-	-	21,742
Loans	-	-	90,000	90,000
Other	-	-	-	1,336
Total assets	<u>\$ 311,731</u>	<u>\$ 62,021</u>	<u>\$ 331,652</u>	<u>\$ 6,414,630</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 22,886
Due to other funds	-	-	-	64,812
Deferred revenue	-	-	-	10,829
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,527</u>
Fund Balances:				
Restricted	311,731	62,021	331,652	6,397,032
Unassigned	-	-	-	(80,929)
Total fund balances (deficits)	<u>311,731</u>	<u>62,021</u>	<u>331,652</u>	<u>6,316,103</u>
Total liabilities and fund balances	<u>\$ 311,731</u>	<u>\$ 62,021</u>	<u>\$ 331,652</u>	<u>\$ 6,414,630</u>

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
				Totals	
<u>General</u>	<u>General</u>	<u>2015</u>	<u>2014</u>		
\$ 1,917,731	\$ 3	\$ 8,191,442	\$ 7,981,860		
-	-	27,844	30,874		
-	-	-	11,957		
-	-	21,742	18,084		
-	-	90,000	90,000		
-	-	1,336	10,173		
<u>\$ 1,917,731</u>	<u>\$ 3</u>	<u>\$ 8,332,364</u>	<u>\$ 8,142,948</u>		
\$ 50,097	\$ -	\$ 72,983	\$ 178,364		
-	-	64,812	42,705		
-	-	10,829	-		
<u>50,097</u>	<u>-</u>	<u>148,624</u>	<u>221,069</u>		
1,867,634	3	8,264,669	7,964,584		
-	-	(80,929)	(42,705)		
<u>1,867,634</u>	<u>3</u>	<u>8,183,740</u>	<u>7,921,879</u>		
<u>\$ 1,917,731</u>	<u>\$ 3</u>	<u>\$ 8,332,364</u>	<u>\$ 8,142,948</u>		

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 1,270,588
Licenses and permits	-	-	-	-
Intergovernmental	-	140,290	98,711	-
Charges for services	-	78,147	-	-
Fines and forfeitures	-	-	-	-
Investment income (loss)	25,702	24	23	5,197
Other revenues	2,000	-	-	-
Total revenues	<u>27,702</u>	<u>218,461</u>	<u>98,734</u>	<u>1,275,785</u>
EXPENDITURES:				
Current:				
General government	-	-	39,172	-
Public safety	-	-	58,990	-
Public works	-	-	-	-
Highways and streets	-	-	-	1,416
Parks and recreation	603,015	172,575	-	-
Library	-	-	-	-
Community development	30,000	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>633,015</u>	<u>172,575</u>	<u>98,162</u>	<u>1,416</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(605,313)</u>	<u>45,886</u>	<u>572</u>	<u>1,274,369</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(78,147)	-	(1,367,500)
Total other financing sources and uses	<u>-</u>	<u>(78,147)</u>	<u>-</u>	<u>(1,367,500)</u>
Net change in fund balances	<u>(605,313)</u>	<u>(32,261)</u>	<u>572</u>	<u>(93,131)</u>
FUND BALANCES:				
Beginning of year	4,150,282	(12,989)	(22,491)	769,153
End of year	<u>\$ 3,544,969</u>	<u>\$ (45,250)</u>	<u>\$ (21,919)</u>	<u>\$ 676,022</u>

Special Revenue Funds					
Library Special Revenue	Police Asset Seizure	Safety Augmentation	Police Special Revenue	SB 322 Recycling/Litter Clean-up	Restricted Donations
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	134,449
-	-	-	104,306	74,027	-
-	-	-	-	-	-
-	36,142	-	-	-	-
1,444	389	-	220	1,701	6,689
-	-	-	-	-	84,223
1,444	36,531	-	104,526	75,728	225,361
-	-	-	-	-	256,567
-	31,293	-	-	-	-
-	-	-	-	56,334	-
-	-	-	-	-	-
-	-	-	-	-	9,551
-	-	-	-	-	14,603
-	-	-	-	-	2,210
-	-	-	-	-	-
-	-	-	-	-	-
-	31,293	-	-	56,334	282,931
1,444	5,238	-	104,526	19,394	(57,570)
-	-	-	-	-	10,000
(39,000)	-	(55,948)	(100,000)	-	(156,000)
(39,000)	-	(55,948)	(100,000)	-	(146,000)
(37,556)	5,238	(55,948)	4,526	19,394	(203,570)
240,317	53,076	55,948	11,945	227,581	1,135,926
\$ 202,761	\$ 58,314	\$ -	\$ 16,471	\$ 246,975	\$ 932,356

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue Funds			Special Revenue
	Streets	Traffic Safety	City as Successor Housing Agency	Total
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 1,270,588
Licenses and permits	-	-	-	134,449
Intergovernmental	-	-	-	417,334
Charges for services	-	-	-	78,147
Fines and forfeitures	-	-	-	36,142
Investment income (loss)	2,129	424	-	43,942
Other revenues	-	-	-	86,223
Total revenues	<u>2,129</u>	<u>424</u>	<u>-</u>	<u>2,066,825</u>
EXPENDITURES:				
Current:				
General government	-	-	-	295,739
Public safety	-	-	-	90,283
Public works	-	-	-	56,334
Highways and streets	-	-	-	1,416
Parks and recreation	-	-	-	785,141
Library	-	-	-	14,603
Community development	-	-	-	32,210
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275,726</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,129</u>	<u>424</u>	<u>-</u>	<u>791,099</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	151,252	161,252
Transfers out	-	-	-	(1,796,595)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>151,252</u>	<u>(1,635,343)</u>
Net change in fund balances	<u>2,129</u>	<u>424</u>	<u>151,252</u>	<u>(844,244)</u>
FUND BALANCES:				
Beginning of year	309,602	61,597	180,400	7,160,347
End of year	<u>\$ 311,731</u>	<u>\$ 62,021</u>	<u>\$ 331,652</u>	<u>\$ 6,316,103</u>

<u>Capital Projects Funds</u>		<u>Debt Service</u>		Non-major funds	
				Totals	
General	General	2015	2014		
\$ -	\$ -	\$ 1,270,588	\$ 1,370,767		
-	-	134,449	619,921		
369,472	-	786,806	488,793		
-	-	78,147	71,526		
-	-	36,142	-		
-	5	43,947	101,077		
-	-	86,223	125,735		
369,472	5	2,436,302	2,777,819		
211,790	1,885	509,414	675,888		
-	-	90,283	11,029		
-	-	56,334	54,131		
-	-	1,416	1,427		
-	-	785,141	152,524		
-	-	14,603	10,275		
-	-	32,210	67,471		
225,737	-	225,737	360,076		
-	818,289	818,289	807,336		
-	399,660	399,660	410,689		
437,527	1,219,834	2,933,087	2,550,846		
(68,055)	(1,219,829)	(496,785)	226,973		
1,187,500	1,206,489	2,555,241	2,669,810		
-	-	(1,796,595)	(2,061,830)		
1,187,500	1,206,489	758,646	607,980		
1,119,445	(13,340)	261,861	834,953		
748,189	13,343	7,921,879	7,086,926		
\$ 1,867,634	\$ 3	\$ 8,183,740	\$ 7,921,879		

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
MAJOR FUND – STREET IMPROVEMENT CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Original Budget	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:				
Other revenues	-	-	22,051	22,051
EXPENDITURES:				
Current:				
Highways and streets	3,207,085	6,993,330	451,110	6,542,220
REVENUES OVER (UNDER) EXPENDITURES	(3,207,085)	(6,993,330)	(429,059)	6,564,271
OTHER FINANCING SOURCES (USES):				
Transfers in	3,207,085	2,804,875	2,079,801	(725,074)
Net change in fund balances	-	(4,188,455)	1,650,742	5,839,197
FUND BALANCES:				
Beginning of year	812,141	812,141	812,141	-
End of year	<u>\$ 812,141</u>	<u>\$ (3,376,314)</u>	<u>\$ 2,462,883</u>	<u>\$ 5,839,197</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
IN-LIEU SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ 10,200	\$ 25,702	\$ 15,502
Other revenues	-	2,000	2,000
Total revenues	<u>10,200</u>	<u>27,702</u>	<u>17,502</u>
EXPENDITURES:			
Current:			
Parks and recreation	604,000	603,015	985
Community development	<u>43,500</u>	<u>30,000</u>	<u>13,500</u>
Total expenditures	<u>647,500</u>	<u>633,015</u>	<u>14,485</u>
Net change in fund balances	<u>(637,300)</u>	<u>(605,313)</u>	<u>31,987</u>
FUND BALANCES:			
Beginning of year	<u>4,150,282</u>	<u>4,150,282</u>	<u>-</u>
End of year	<u>\$ 3,512,982</u>	<u>\$ 3,544,969</u>	<u>\$ 31,987</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
AGENCY ON AGING SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 119,405	\$ 140,290	\$ 20,885
Charges for services	65,000	78,147	13,147
Investment income	47	24	(23)
Total revenues	<u>184,452</u>	<u>218,461</u>	<u>34,009</u>
EXPENDITURES:			
Parks and recreation	<u>119,405</u>	<u>172,575</u>	<u>(53,170)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>65,047</u>	<u>45,886</u>	<u>(19,161)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(65,000)</u>	<u>(78,147)</u>	<u>(13,147)</u>
Net change in fund balances	<u>47</u>	<u>(32,261)</u>	<u>(32,308)</u>
FUND BALANCES:			
Beginning of year	<u>(12,989)</u>	<u>(12,989)</u>	<u>-</u>
End of year	<u>\$ (12,942)</u>	<u>\$ (45,250)</u>	<u>\$ (32,308)</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
FEDERAL AND STATE – GRANTS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 98,711	\$ 98,711
Use of money and property		23	23
Total revenues	<u>-</u>	<u>98,734</u>	<u>98,734</u>
EXPENDITURES:			
Current:			
General government	-	\$ 39,172	(39,172)
Public safety	720	58,990	(58,270)
Total expenditures	<u>720</u>	<u>98,162</u>	<u>(97,442)</u>
Net change in fund balances	<u>(720)</u>	<u>572</u>	<u>1,292</u>
FUND BALANCES:			
Beginning of year	(22,491)	(22,491)	-
End of year	<u>\$ (23,211)</u>	<u>\$ (21,919)</u>	<u>\$ 1,292</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
GAS TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Taxes	\$ 1,113,700	\$ 1,270,588	\$ 156,888
Investment income	2,705	5,197	2,492
Total revenues	<u>1,116,405</u>	<u>1,275,785</u>	<u>159,380</u>
EXPENDITURES:			
Current:			
Highways and streets	-	1,416	(1,416)
REVENUES OVER (UNDER)			
EXPENDITURES	<u>1,116,405</u>	<u>1,274,369</u>	<u>157,964</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,367,500)	(1,367,500)	-
Net change in fund balances	<u>(251,095)</u>	<u>(93,131)</u>	<u>157,964</u>
FUND BALANCES:			
Beginning of year	769,153	769,153	-
End of year	<u>\$ 518,058</u>	<u>\$ 676,022</u>	<u>\$ 157,964</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ 635	\$ 1,444	\$ 809
OTHER FINANCING SOURCES (USES):			
Transfers out	(39,000)	(39,000)	-
Net change in fund balances	(38,365)	(37,556)	809
FUND BALANCES:			
Beginning of year	240,317	240,317	-
End of year	<u>\$ 201,952</u>	<u>\$ 202,761</u>	<u>\$ 809</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
POLICE ASSET SEIZURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Fines and forfeitures	\$ 5,000	\$ 36,142	\$ 31,142
Investment income	129	389	260
Total revenues	<u>5,129</u>	<u>36,531</u>	<u>31,402</u>
EXPENDITURES:			
Public safety	-	31,293	(31,293)
Net change in fund balances	<u>5,129</u>	<u>5,238</u>	<u>109</u>
FUND BALANCES:			
Beginning of year	53,076	53,076	-
End of year	<u>\$ 58,205</u>	<u>\$ 58,314</u>	<u>\$ 109</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
SAFETY AUGMENTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 92,000	\$ -	\$ (92,000)
Investment income	210	-	(210)
Total revenues	<u>92,210</u>	<u>-</u>	<u>(92,210)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(86,000)	(55,948)	30,052
Net change in fund balances	<u>6,210</u>	<u>(55,948)</u>	<u>(62,158)</u>
FUND BALANCES:			
Beginning of year	55,948	55,948	-
End of year	<u>\$ 62,158</u>	<u>\$ -</u>	<u>\$ (62,158)</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
POLICE SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 100,000	\$ 104,306	\$ 4,306
Investment income	122	220	98
Total revenues	<u>100,122</u>	<u>104,526</u>	<u>4,404</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(100,000)	(100,000)	-
Net change in fund balances	<u>122</u>	<u>4,526</u>	<u>4,404</u>
FUND BALANCES:			
Beginning of year	11,945	11,945	-
End of year	<u>\$ 12,067</u>	<u>\$ 16,471</u>	<u>\$ 4,404</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES – BUDGET TO ACTUAL

SB 322 RECYCLING/LITTER CLEAN-UP SPECIAL REVENUE FUND

FOR THE YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ 69,872	\$ 74,027	\$ 4,155
Investment income	515	1,701	1,186
Total revenues	<u>70,387</u>	<u>75,728</u>	<u>5,341</u>
EXPENDITURES:			
Current:			
Public works	<u>60,806</u>	<u>56,334</u>	<u>4,472</u>
Net change in fund balances	<u>9,581</u>	<u>19,394</u>	<u>9,813</u>
FUND BALANCES:			
Beginning of year	<u>227,581</u>	<u>227,581</u>	-
End of year	<u>\$ 237,162</u>	<u>\$ 246,975</u>	<u>\$ 9,813</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
RESTRICTED DONATIONS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Licenses and permits	\$ 105,000	\$ 134,449	\$ 29,449
Investment income	2,763	6,689	3,926
Other revenues	8,000	84,223	76,223
Total revenues	<u>115,763</u>	<u>225,361</u>	<u>109,598</u>
EXPENDITURES:			
Current:			
General government	58,873	256,567	(197,694)
Parks and recreation	6,946	9,551	(2,605)
Library	-	14,603	(14,603)
Community enhancements	25,000	2,210	22,790
Total expenditures	<u>90,819</u>	<u>282,931</u>	<u>(192,112)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>24,944</u>	<u>(57,570)</u>	<u>(82,514)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	10,000	10,000
Transfers out	(156,000)	(156,000)	-
Total other financing sources (uses)	<u>(156,000)</u>	<u>(146,000)</u>	<u>10,000</u>
Net change in fund balances	<u>(131,056)</u>	<u>(203,570)</u>	<u>(72,514)</u>
FUND BALANCES:			
Beginning of year	1,135,926	1,135,926	-
End of year	<u>\$ 1,004,870</u>	<u>\$ 932,356</u>	<u>\$ (72,514)</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
STREETS SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ 759	\$ 2,129	\$ 1,370
FUND BALANCES:			
Beginning of year	309,602	309,602	-
End of year	<u>\$ 310,361</u>	<u>\$ 311,731</u>	<u>\$ 1,370</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ 150	\$ 424	\$ 274
FUND BALANCES:			
Beginning of year	61,597	61,597	-
End of year	<u>\$ 61,747</u>	<u>\$ 62,021</u>	<u>\$ 274</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
CITY AS SUCCESSOR HOUSING AGENCY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
OTHER FINANCING SOURCES (USES):			
Transfers in	\$ -	\$ 151,252	\$ 151,252
FUND BALANCES:			
Beginning of year	180,400	180,400	-
End of year	<u>\$ 180,400</u>	<u>\$ 331,652</u>	<u>\$ 151,252</u>

CITY OF SAN BRUNO, CALIFORNIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET TO ACTUAL
CAPITAL PROJECTS FUND - GENERAL
FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 369,472	369,472
EXPENDITURES:			
Current:			
General government	532,659	211,790	320,869
Capital outlay	1,398,490	225,737	1,172,753
Total expenditures	1,931,149	437,527	1,493,622
REVENUES OVER (UNDER) EXPENDITURES	(1,931,149)	(68,055)	1,863,094
OTHER FINANCING SOURCES (USES):			
Transfers in	1,187,500	1,187,500	-
Total other financing sources (uses)	1,187,500	1,187,500	-
Net change in fund balances	(743,649)	1,119,445	1,863,094
FUND BALANCES:			
Beginning of year	748,189	748,189	-
End of year	<u>\$ 4,540</u>	<u>\$ 1,867,634</u>	<u>\$ 1,863,094</u>

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND

BALANCES – BUDGET TO ACTUAL

DEBT SERVICE FUND - GENERAL

FOR THE YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance w/Final Positive (Negative)
REVENUES:			
Investment income	\$ -	\$ 5	\$ 5
EXPENDITURES:			
Current:			
General government	-	1,885	(1,885)
Debt service:			
Principal	818,289	818,289	-
Interest	399,660	399,660	-
Total expenditures	1,217,949	1,219,834	(1,885)
REVENUES OVER (UNDER)			
EXPENDITURES	(1,217,949)	(1,219,829)	(1,880)
OTHER FINANCING SOURCES (USES):			
Transfers in	1,217,949	1,206,489	(11,460)
Net change in fund balances	-	(13,340)	(13,340)
FUND BALANCES:			
Beginning of year	13,343	13,343	-
End of year	\$ 13,343	\$ 3	\$ (13,340)

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF FUND NET POSITION
INTERNAL SERVICE FUNDS**

JUNE 30, 2015

(With comparative totals for June 30, 2014)

	Central Garage	Self- Insurance	General Equipment Revolving
ASSETS			
Current assets:			
Cash and investments	\$ 606,079	\$ 2,759,648	\$ 4,746,025
Cash and investments held by trustees	-	91,119	-
Accounts receivable	-	-	-
Prepaid items	-	-	-
Total current assets	<u>606,079</u>	<u>2,850,767</u>	<u>4,746,025</u>
Noncurrent assets:			
Advances to fiduciary funds	-	-	2,107,255
Total assets	<u><u>\$ 606,079</u></u>	<u><u>\$ 2,850,767</u></u>	<u><u>\$ 6,853,280</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 38,180	\$ 68,282	\$ 47,637
Compensated absences	-	-	-
Total current liabilities	<u>38,180</u>	<u>68,282</u>	<u>47,637</u>
Noncurrent liabilities:			
Compensated absences	15,454	-	-
Liability for claims	-	2,963,000	-
Total noncurrent liabilities	<u>15,454</u>	<u>2,963,000</u>	<u>-</u>
Total liabilities	<u>53,634</u>	<u>3,031,282</u>	<u>47,637</u>
NET POSITION			
Unrestricted net position	<u>552,445</u>	<u>(180,515)</u>	<u>6,805,643</u>
Total net position	<u>552,445</u>	<u>(180,515)</u>	<u>6,805,643</u>
Total liabilities and net position	<u><u>\$ 606,079</u></u>	<u><u>\$ 2,850,767</u></u>	<u><u>\$ 6,853,280</u></u>

Technology Development	Facilities Maintenance	Totals	
		2015	2014
\$ 218,896	\$ 823,807	\$ 9,154,455	\$ 8,132,468
-	-	91,119	91,119
4,872	-	4,872	-
12,905	-	12,905	-
236,673	823,807	9,263,351	8,223,587
-	-	2,107,255	2,712,264
\$ 236,673	\$ 823,807	\$ 11,370,606	\$ 10,935,851
\$ 11,231	\$ 55,000	\$ 220,330	\$ 149,978
42,788	39,491	82,279	119,724
54,019	94,491	302,609	269,702
26,574	7,810	49,838	42,773
-	-	2,963,000	3,286,000
26,574	7,810	3,012,838	3,328,773
80,593	102,301	3,315,447	3,598,475
156,080	721,506	8,055,159	7,337,376
156,080	721,506	8,055,159	7,337,376
\$ 236,673	\$ 823,807	\$ 11,370,606	\$ 10,935,851

CITY OF SAN BRUNO, CALIFORNIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION**

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for the year ended June 30, 2014)

	Central Garage	Self- Insurance	General Equipment Revolving
OPERATING REVENUES:			
Charges for services	\$ 624,420	\$ -	\$ 16,261
Insurance cost allocation	-	2,499,144	-
Total operating revenues	624,420	2,499,144	16,261
OPERATING EXPENSES:			
Central garage	616,768	-	-
Insurance premiums, claims and administration	-	1,785,592	-
Equipment	-	-	354,478
Technology	-	-	-
Facilities	-	-	-
Total operating expenses	616,768	1,785,592	354,478
OPERATING INCOME (LOSS)	7,652	713,552	(338,217)
NONOPERATING REVENUE (EXPENSE)			
Transfer from other funds	-	-	430,584
Transfer (to) other funds	-	-	(30,000)
Total non-operating revenue (expense)	-	-	400,584
CHANGE IN NET POSITION	7,652	713,552	62,367
NET POSITION:			
Beginning of year	544,793	(894,067)	6,743,276
End of year	<u>\$ 552,445</u>	<u>\$ (180,515)</u>	<u>\$ 6,805,643</u>

Technology Development	Facilities Maintenance	Totals	
		2015	2014
\$ 633,785	\$ 1,023,060	\$ 2,297,526	\$ 2,009,341
-	-	2,499,144	1,805,616
633,785	1,023,060	4,796,670	3,814,957
-	-	616,768	538,787
-	-	1,785,592	2,121,500
-	-	354,478	92,336
669,095	-	669,095	599,690
-	1,053,538	1,053,538	978,497
669,095	1,053,538	4,479,471	4,330,810
(35,310)	(30,478)	317,199	(515,853)
-	-	430,584	430,584
-	-	(30,000)	(260,000)
-	-	400,584	170,584
(35,310)	(30,478)	717,783	(345,269)
191,390	751,984	7,337,376	7,682,645
\$ 156,080	\$ 721,506	\$ 8,055,159	\$ 7,337,376

CITY OF SAN BRUNO, CALIFORNIA

COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for the year ended June 30, 2014)

	Central Garage	Self- Insurance	General Equipment Revolving
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 624,420	\$ 2,499,144	\$ 16,261
Cash payments to suppliers for goods and services	(586,381)	(1,735,658)	(405,988)
Cash payments for loss claims	-	(323,000)	-
Net cash provided (used) by operating activities	38,039	440,486	(389,727)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Advance repayments from fiduciary funds	-	-	605,009
Transfers received from other funds	-	-	430,584
Transfers paid to other funds	-	-	(30,000)
Net cash provided by noncapital financing activities	-	-	1,005,593
Net increase in cash and cash equivalents	38,039	440,486	615,866
CASH AND CASH EQUIVALENTS:			
Beginning of year	568,040	2,410,281	4,130,159
End of year	<u>\$ 606,079</u>	<u>\$ 2,850,767</u>	<u>\$ 4,746,025</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Income (loss) from operations	\$ 7,652	\$ 713,552	\$ (338,217)
(Increase) decrease in current assets:			
Accounts receivable	-	-	-
Prepaid items	-	-	-
Increase (decrease) in liabilities:			
Accounts payable and accrued liabilities	28,179	49,934	(51,510)
Compensated absences	2,208	-	-
Increase (decrease) in claims liability - noncurrent	-	(323,000)	-
Net cash provided (used) by operating activities	\$ 38,039	\$ 440,486	\$ (389,727)
Presentation in Statement of Net Position:			
Cash and investments	\$ 606,079	\$ 2,759,648	\$ 4,746,025
Cash and investments held by trustees	-	91,119	-
Total Cash and Cash Equivalents, End of Year	\$ 606,079	\$ 2,850,767	\$ 4,746,025

Technology Development	Facilities Maintenance	Totals	
		2015	2014
\$ 628,913	\$ 1,023,060	\$ 4,791,798	\$ 3,774,785
(684,571)	(1,039,806)	(4,452,404)	(4,642,313)
-	-	(323,000)	865,531
(55,658)	(16,746)	16,394	(1,997)
-	-	605,009	-
-	-	430,584	456,984
-	-	(30,000)	(141,132)
-	-	1,005,593	315,852
(55,658)	(16,746)	1,021,987	313,855
274,554	840,553	8,223,587	7,660,384
<u>\$ 218,896</u>	<u>\$ 823,807</u>	<u>\$ 9,245,574</u>	<u>\$ 7,974,239</u>
\$ (35,310)	\$ (30,478)	\$ 317,199	\$ (817,118)
(4,872)	-	(4,872)	(6,441)
(12,905)	-	(12,905)	-
6,764	36,985	70,352	(55,196)
(9,335)	(23,253)	(30,380)	11,227
-	-	(323,000)	865,531
<u>\$ (55,658)</u>	<u>\$ (16,746)</u>	<u>\$ 16,394</u>	<u>\$ (1,997)</u>
\$ 218,896	\$ 823,807	\$ 9,154,455	\$ 7,883,120
-	-	91,119	91,119
<u>\$ 218,896</u>	<u>\$ 823,807</u>	<u>\$ 9,245,574</u>	<u>\$ 7,974,239</u>

CITY OF SAN BRUNO, CALIFORNIA

COMBINING STATEMENT OF NET POSITION

FIDUCIARY FUNDS

JUNE 30, 2015

(With comparative totals for the year ended June 30, 2014)

	San Bruno Community Foundation	Project Development	San Bruno Garbage Company	Totals	
				2015	2014
ASSETS					
Cash and investments	\$ 69,745,298	\$ 173,338	\$ 473,821	\$ 70,392,457	\$ 69,356,592
Accounts receivable	-	-	411,938	411,938	349,261
Total assets	\$ 69,745,298	\$ 173,338	\$ 885,759	\$ 70,804,395	\$ 69,705,853
LIABILITIES					
Accounts payable	\$ -	\$ 20,061	\$ 884,377	\$ 904,438	\$ 789,808
Due to San Bruno Community Foundation	69,745,298	-	-	69,745,298	68,843,950
Other liabilities	-	153,277	1,382	154,659	72,095
Total liabilities	\$ 69,745,298	\$ 173,338	\$ 885,759	\$ 70,804,395	\$ 69,705,853

CITY OF SAN BRUNO, CALIFORNIA

COMBINING STATEMENT OF CHANGES IN NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

(With comparative totals for the year ended June 30, 2014)

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
PROJECT DEVELOPMENT				
ASSETS				
Cash and investments	\$ 90,301	\$ 383,000	\$ (299,963)	\$ 173,338
Accounts receivable	-	-	-	-
Total assets	<u>\$ 90,301</u>	<u>\$ 383,000</u>	<u>\$ (299,963)</u>	<u>\$ 173,338</u>
LIABILITIES				
Accounts payable	\$ 19,563	\$ (105,789)	\$ 106,287	\$ 20,061
Other liabilities	70,738	(300,721)	383,260	153,277
Total liabilities	<u>\$ 90,301</u>	<u>\$ (406,510)</u>	<u>\$ 489,547</u>	<u>\$ 173,338</u>
SAN BRUNO GARBAGE COMPANY				
ASSETS				
Cash and investments	\$ 422,341	\$ 7,412,681	\$ (7,361,200)	\$ 473,822
Accounts receivable	349,261	7,488,164	(7,425,487)	411,937
Total assets	<u>\$ 771,602</u>	<u>\$ 14,900,845</u>	<u>\$ (14,786,687)</u>	<u>\$ 885,759</u>
LIABILITIES				
Accounts payable	\$ 770,245	\$ (13,869,621)	\$ 13,983,753	\$ 884,377
Other liabilities	1,357	(4,023)	4,049	1,382
Total liabilities	<u>\$ 771,602</u>	<u>\$ (13,873,644)</u>	<u>\$ 13,987,802</u>	<u>\$ 885,759</u>
SAN BRUNO COMMUNITY FOUNDATION				
ASSETS				
Cash and investments	\$ 68,843,950	\$ 1,439,434	\$ (538,086)	\$ 69,745,298
Accounts receivable	-	-	-	-
Total assets	<u>\$ 68,843,950</u>	<u>\$ 1,439,434</u>	<u>\$ (538,086)</u>	<u>\$ 69,745,298</u>
LIABILITIES				
Due to San Bruno Community Foundation	\$ 68,843,950	\$ (47,055)	\$ 1,439,434	\$ 70,236,329
Other liabilities	-	(491,031)	-	(491,031)
Total liabilities	<u>\$ 68,843,950</u>	<u>\$ (538,086)</u>	<u>\$ 1,439,434</u>	<u>\$ 69,745,298</u>
TOTAL OF ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 69,356,592	\$ 9,235,115	\$ (8,199,249)	\$ 70,392,458
Accounts receivable	349,261	7,488,164	(7,425,487)	411,938
Total assets	<u>\$ 69,705,853</u>	<u>\$ 16,723,279</u>	<u>\$ (15,624,736)</u>	<u>\$ 70,804,396</u>
LIABILITIES				
Accounts payable	\$ 789,808	\$ (13,975,410)	\$ 14,090,040	\$ 904,438
Due to San Bruno Community Foundation	68,843,950	(47,055)	1,439,434	70,236,329
Other liabilities	72,095	(795,775)	387,309	(336,371)
Total liabilities	<u>\$ 69,705,853</u>	<u>\$ (14,818,240)</u>	<u>\$ 15,916,783</u>	<u>\$ 70,804,396</u>

STATISTICAL SECTION

CITY OF SAN BRUNO, CALIFORNIA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(Fiscal years ended June 30)

	2006	2007	2008	2009	2010
Governmental activities					
Net investments in capital assets	\$ 13,980,909	\$ 36,889,081	\$ 37,073,294	\$ 38,094,423	\$ 38,157,248
Restricted	2,790,614	763,192	797,313	805,664	11,757,369
Unrestricted	10,409,480	17,200,880	18,670,800	17,282,898	6,174,871
Total governmental activities net position	<u>\$ 27,181,003</u>	<u>\$ 54,853,153</u>	<u>\$ 56,541,407</u>	<u>\$ 56,182,985</u>	<u>\$ 56,089,488</u>
Business-type activities					
Net investments in capital assets	\$ 18,694,375	\$ 26,319,885	\$ 22,821,582	\$ 29,548,513	\$ 29,617,094
Unrestricted	19,953,475	12,200,816	19,943,521	13,642,293	14,951,487
Total business-type activities net position	<u>\$ 38,647,850</u>	<u>\$ 38,520,701</u>	<u>\$ 42,765,103</u>	<u>\$ 43,190,806</u>	<u>\$ 44,568,581</u>
Primary government					
Net investments in capital assets	\$ 32,675,284	\$ 63,208,966	\$ 59,894,876	\$ 67,642,936	\$ 67,774,342
Restricted	290,614	763,192	797,313	805,664	11,757,369
Unrestricted	30,362,955	29,401,696	38,614,321	30,925,191	21,126,358
Total primary government net position	<u>\$ 63,328,853</u>	<u>\$ 93,373,854</u>	<u>\$ 99,306,510</u>	<u>\$ 99,373,791</u>	<u>\$ 100,658,069</u>
	2011	2012	2013	2014	2015
Governmental activities					
Net investments in capital assets	\$ 36,981,386	\$ 48,151,315	\$ 49,191,126	\$ 50,124,094	\$ 47,667,730
Restricted	15,666,900	12,461,795	10,637,770	10,612,672	16,592,413
Unrestricted	5,382,344	6,089,202	(5,227,689)	(3,967,832)	(53,506,899)
Total governmental activities net position	<u>\$ 58,480,630</u>	<u>\$ 66,702,312</u>	<u>\$ 54,601,207</u>	<u>\$ 56,768,934</u>	<u>\$ 10,753,244</u>
Business-type activities					
Net investments in capital assets	\$ 30,706,799	\$ 32,968,582	\$ 36,842,785	\$ 46,715,688	\$ 57,076,442
Unrestricted	16,048,910	18,311,018	19,519,379	24,822,052	11,218,527
Total business-type activities net position	<u>\$ 46,755,709</u>	<u>\$ 51,279,600</u>	<u>\$ 56,362,164</u>	<u>\$ 71,537,740</u>	<u>\$ 68,294,969</u>
Primary government					
Net investments in capital assets	\$ 67,688,185	\$ 81,119,897	\$ 86,033,911	\$ 96,839,782	\$ 104,744,172
Restricted	15,666,900	12,461,795	10,637,770	10,612,672	16,592,413
Unrestricted	21,431,254	24,400,220	14,291,690	20,854,220	(42,288,372)
Total primary government net position	<u>\$ 104,786,339</u>	<u>\$ 117,981,912</u>	<u>\$ 110,963,371</u>	<u>\$ 128,306,674</u>	<u>\$ 79,048,213</u>

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Fiscal years ended June 30)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 4,056,039	\$ 3,086,818	\$ 680,412	\$ 5,879,731	\$ 5,757,945	\$ 10,962,945	\$ 9,136,147	\$ 10,461,109	\$ 12,129,370	\$ 10,813,390
Public safety	16,143,674	17,005,014	21,497,158	19,625,779	19,593,501	19,335,496	19,129,330	20,016,150	19,836,376	21,206,573
Public works	679,486	1,017,450	1,766,933	1,256,060	862,049	888,426	952,496	954,150	850,759	863,706
Highways and streets	2,699,804	4,330,591	5,993,182	5,391,549	4,864,060	3,394,204	3,967,555	3,647,648	2,891,219	3,009,303
Parks and recreation	3,585,800	4,226,636	4,805,202	4,760,291	4,393,495	4,219,718	4,698,243	4,819,878	4,717,561	5,562,181
Library	1,665,597	1,627,219	2,076,155	1,890,435	1,757,550	1,680,862	1,693,611	1,695,581	1,685,455	1,731,305
Community development	3,858,037	3,027,355	5,727,039	7,030,845	9,180,082	7,960,992	1,951,941	1,556,777	1,888,260	2,265,895
Interest expense	557,964	575,021	553,486	665,517	672,458	612,570	455,313	931,179	267,977	416,914
Total governmental activities expenses	33,246,401	34,896,104	43,099,567	46,500,207	47,081,140	49,055,213	41,984,636	44,082,472	44,266,977	45,869,267
Business-type activities:										
Water	6,893,587	6,868,405	5,857,761	7,341,657	6,919,121	7,378,711	8,444,001	9,237,239	8,770,677	9,378,993
Stormwater	467,043	502,802	(171,906)	687,278	386,608	438,864	446,020	661,493	739,512	905,074
Wastewater	6,084,873	6,904,217	7,859,491	8,054,907	7,987,591	9,439,266	8,755,063	9,220,142	9,427,956	10,265,939
Cable Television	8,055,100	9,489,656	9,324,247	10,700,667	11,452,012	11,549,760	10,709,142	10,100,602	10,508,595	11,002,694
Total business-type activities expenses	21,500,603	23,765,080	22,869,593	26,784,509	26,745,332	28,806,601	28,354,226	29,219,476	29,446,740	31,552,700
Total primary government expenses	<u>\$ 54,747,004</u>	<u>\$ 58,661,184</u>	<u>\$ 65,969,160</u>	<u>\$ 73,284,716</u>	<u>\$ 73,826,472</u>	<u>\$ 77,861,814</u>	<u>\$ 70,338,862</u>	<u>\$ 73,301,948</u>	<u>\$ 73,713,717</u>	<u>\$ 77,421,967</u>

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED

(Fiscal years ended June 30)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,030,230	\$ 2,913,631	\$ 5,102,298	\$ 2,100,780	\$ 3,831,697	\$ 3,397,195	\$ 3,171,610	\$ 2,704,082	\$ 2,923,789	\$ 2,837,224
Public safety	1,042,823	1,405,736	1,507,685	1,545,769	1,514,350	1,538,616	1,719,551	1,670,163	1,632,659	1,637,659
Public works	-	52,157	781,614	49,186	39,104	149,299	205,501	135,283	104,982	86,752
Highways and streets	2,091,813	754,080	977,667	18,700	18,700	19,243	9,474	14,649	19,985	17,977
Parks and recreation	681,356	751,985	794,097	915,378	988,075	1,089,866	1,182,386	1,194,216	1,359,079	1,471,537
Library	63,243	63,638	144,703	76,934	104,188	105,247	132,216	94,866	92,227	96,969
Community development	2,572,835	1,163,310	2,622,644	1,905,157	1,084,270	922,255	1,793,825	969,707	988,285	1,759,620
Operating grants and contributions	757,952	3,924,875	3,537,503	6,987,198	5,715,274	11,225,060	10,364,539	9,190,570	9,527,246	11,433,248
Capital grants and contributions	2,822,419	328,114	2,628,237	-	823,772	79,562	1,897,433	1,143,765	88,658	391,523
Total governmental activities program revenues	13,062,671	11,357,526	18,096,448	13,599,102	14,119,430	18,526,343	20,476,535	17,117,301	16,736,910	19,732,509
Business-type activities:										
Charges for services:										
Water	6,682,238	7,089,683	8,258,200	8,174,920	8,836,515	9,491,102	10,601,609	11,725,402	15,041,156	12,304,017
Stormwater	549,708	614,832	531,455	618,552	574,796	593,179	612,325	611,886	1,474,221	839,852
Wastewater	6,079,454	6,261,689	8,413,781	9,061,789	9,566,099	10,128,799	11,294,768	12,233,209	15,470,139	15,016,113
Cable Television	7,867,702	9,162,788	9,036,944	9,833,713	10,254,204	10,570,028	10,192,578	9,651,598	9,329,485	9,288,345
Total business-type activities program revenues	21,179,102	23,128,992	26,240,380	27,688,974	29,231,614	30,783,108	32,701,280	34,222,095	41,315,001	37,448,327
Total primary government program revenues	\$ 34,241,773	\$ 34,486,518	\$ 44,336,828	\$ 41,288,076	\$ 43,351,044	\$ 49,309,451	\$ 53,177,815	\$ 51,339,396	\$ 58,051,911	\$ 57,180,836
Net (Expense)/Revenue										
Governmental activities	\$ (20,183,730)	\$ (23,538,578)	\$ (25,003,119)	\$ (32,901,105)	\$ (32,961,710)	\$ (30,528,870)	\$ (21,508,101)	\$ (26,965,171)	\$ (27,530,067)	\$ (26,136,758)
Business-type activities	(321,501)	(636,088)	3,370,787	904,465	2,486,282	1,976,507	4,347,054	5,002,619	11,868,261	5,895,627
Total primary government net expense	\$ (20,505,231)	\$ (24,174,666)	\$ (21,632,332)	\$ (31,996,640)	\$ (30,475,428)	\$ (28,552,363)	\$ (17,161,047)	\$ (21,962,552)	\$ (15,661,806)	\$ (20,241,131)

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS, CONTINUED (Fiscal years ended June 30)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 4,944,621	\$ 5,315,026	\$ 5,792,092	\$ 5,609,011	\$ 6,561,286	\$ 5,035,244	\$ 5,641,633	\$ 6,752,943	\$ 8,197,205	\$ 8,844,431
Property taxes, tax increment for redevelopment purposes	2,625,615	3,839,579	4,435,080	9,163,133	9,308,063	8,900,038	3,607,372	-	-	-
Transient occupancy tax	1,139,693	1,276,830	1,478,040	1,339,877	1,344,364	1,763,680	2,183,947	2,412,368	2,790,395	3,162,479
Franchise tax	1,450,533	1,531,909	1,608,176	1,798,855	1,804,390	1,916,659	1,941,385	1,973,837	1,957,795	2,125,938
Sales tax, including subvention	6,816,036	6,862,845	6,637,010	6,402,912	5,366,248	6,498,220	6,861,036	7,345,212	8,547,806	8,556,002
Cardroom taxes	2,819,988	2,735,107	1,491,812	1,540,728	1,496,516	1,531,232	1,572,708	1,616,868	1,652,904	1,694,580
Other taxes	-	316,762	-	1,523,129	1,487,538	1,632,802	2,028,635	2,251,707	3,267,636	2,867,616
Intergovernmental:										
State motor vehicle in-lieu tax, including subvention	2,824,642	3,166,460	3,365,156	3,544,320	3,350,849	3,374,101	3,255,434	3,158,217	3,503,097	3,764,990
State highway user tax	-	-	-	-	-	-	-	-	1,370,767	1,270,588
Use of money and property	499,665	1,218,377	2,184,450	1,433,300	2,242,441	1,909,612	1,788,884	1,263,400	1,678,676	1,596,447
Miscellaneous and extraordinary items	3,409,259	2,425,997	-	-	-	-	1,328,242	(11,968,561)	(204,035)	274,320
Transfers	175,164	-	(300,443)	187,418	(93,482)	(91,576)	(29,493)	58,075	(3,064,452)	(1,768,413)
Total governmental activities	26,705,216	28,688,892	26,691,373	32,542,683	32,868,213	32,470,012	30,179,783	14,864,066	29,697,794	32,388,978
Business-type activities										
Use of money and property	513,954	508,939	573,172	(291,344)	123,648	119,045	147,344	138,020	242,863	174,855
Transfers	(62,857)	-	300,443	(187,418)	93,482	91,576	29,493	(58,075)	3,064,452	1,768,413
Total business-type activities	451,097	508,939	873,615	(478,762)	217,130	210,621	176,837	79,945	3,307,315	1,943,268
Total primary government	\$ 27,156,313	\$ 29,197,831	\$ 27,564,988	\$ 32,063,921	\$ 33,085,343	\$ 32,680,633	\$ 30,356,620	\$ 14,944,011	\$ 33,005,109	\$ 34,332,246
Changes in Net Position										
Governmental activities	\$ 6,521,486	\$ 5,150,314	\$ 1,688,254	\$ (358,422)	\$ (93,497)	\$ 1,941,142	\$ 8,671,682	\$ (12,101,105)	\$ 2,167,727	\$ 6,252,220
Business-type activities	129,596	(127,149)	4,244,402	425,703	2,703,412	2,187,128	4,523,891	5,082,564	15,175,576	7,838,895
Total primary government	\$ 6,651,082	\$ 5,023,165	\$ 5,932,656	\$ 67,281	\$ 2,609,915	\$ 4,128,270	\$ 13,195,573	\$ (7,018,541)	\$ 17,343,303	\$ 14,091,115

CITY OF SAN BRUNO, CALIFORNIA

FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(Fiscal years ended June 30,)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 648,702	\$ 638,512	\$ 624,274	\$ 548,075	\$ 586,650	\$ 690,344
Restricted	3,934,669	662,200	826,709	1,060,558	-	-	-	-	-	-
Assigned	-	-	-	-	152,533	127,407	110,049	238,060	254,698	188,263
Unassigned	4,462,312	8,041,350	8,670,499	6,652,186	7,443,638	9,052,945	12,998,096	8,848,896	10,096,649	11,023,626
Total general fund	<u>\$ 8,396,981</u>	<u>\$ 8,703,550</u>	<u>\$ 9,497,208</u>	<u>\$ 7,712,744</u>	<u>\$ 8,244,873</u>	<u>\$ 9,818,864</u>	<u>\$ 13,732,419</u>	<u>\$ 9,635,031</u>	<u>\$ 10,937,997</u>	<u>\$ 11,902,233</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ -	\$ -
Restricted	1,119,897	4,947,910	7,797,724	11,490,283	13,486,013	17,870,653	12,532,914	11,120,226	10,612,672	14,762,188
Committed	-	-	-	-	-	-	-	8,093,269	10,689,500	10,240,271
Unassigned	(836,728)	-	-	(986,616)	(1,818,644)	(1,843,753)	(71,119)	(27,028)	(42,705)	(80,929)
Total all other governmental funds	<u>\$ 283,169</u>	<u>\$ 4,947,910</u>	<u>\$ 7,887,724</u>	<u>\$ 10,593,667</u>	<u>\$ 11,757,369</u>	<u>\$ 16,116,900</u>	<u>\$ 12,461,795</u>	<u>\$ 19,186,467</u>	<u>\$ 21,259,467</u>	<u>\$ 24,921,530</u>

CITY OF SAN BRUNO, CALIFORNIA

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(Fiscal years ended June 30,)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes	\$ 18,835,537	\$ 21,137,455	\$ 23,236,735	\$ 27,788,860	\$ 27,863,575	\$ 27,705,514	\$ 24,265,039	\$ 22,433,688	\$ 24,954,783	\$ 26,085,900
Licenses and permits	5,283,072	4,813,087	4,379,092	3,644,640	2,036,968	2,182,177	3,674,707	2,834,980	4,255,588	3,691,818
Intergovernmental	4,726,434	4,976,381	5,555,835	4,024,517	4,663,260	4,102,933	4,811,636	4,416,017	4,009,117	4,574,638
Charges for services	4,998,704	3,458,641	3,534,085	2,812,413	3,319,982	4,249,436	4,648,073	3,120,324	2,826,577	3,134,354
Fines and forfeitures	570,691	563,836	578,406	649,186	763,221	739,033	759,985	676,421	654,000	605,704
Use of money and property	1,583,178	1,149,534	2,287,478	1,433,302	1,938,960	1,909,612	1,788,884	1,263,400	1,678,676	1,618,634
Other revenues	2,210,719	4,048,911	5,976,311	5,601,449	6,151,677	10,199,227	9,409,245	9,147,023	11,324,450	10,489,406
Total revenues	38,208,335	40,147,845	45,547,942	45,954,367	46,737,643	51,087,932	49,357,569	43,891,853	49,703,191	50,200,454
Expenditures:										
General government	3,750,350	3,449,991	1,114,968	3,831,772	3,432,652	7,733,633	7,659,751	8,683,516	8,955,056	8,091,630
Public safety	16,168,590	16,848,691	20,849,179	19,606,624	19,791,984	18,630,659	19,200,997	19,687,555	19,851,466	21,894,204
Public works	679,486	1,017,450	1,501,639	1,228,246	795,138	827,163	954,550	876,159	856,559	1,028,427
Highways and streets	4,969,695	2,956,134	4,816,250	4,101,578	3,924,442	2,442,621	3,420,294	2,804,070	3,689,780	1,736,206
Parks and recreation	3,886,525	4,136,082	4,822,377	4,627,648	4,319,160	4,106,814	4,245,171	4,310,157	4,453,981	5,493,030
Library	1,663,807	1,625,429	2,028,271	1,903,867	1,752,924	1,669,374	1,635,242	1,628,841	1,631,084	1,724,112
Community development	3,543,200	3,561,656	4,899,902	7,998,339	8,978,350	7,730,597	1,903,573	1,504,058	1,872,127	2,268,181
Capital outlay	827,974	799,524	906,765	696,590	1,071,479	699,463	2,154,326	1,161,609	360,076	225,737
Debt service:										
Principal	812,828	479,955	503,713	523,124	548,219	574,031	365,592	386,409	807,336	818,289
Interest	563,591	548,987	526,204	702,518	677,464	651,882	219,706	542,606	410,689	399,660
Total expenditures	36,866,046	35,423,899	41,969,268	45,220,306	45,291,812	45,066,237	41,759,202	41,584,980	42,888,154	43,679,476
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	1,342,289	4,723,946	3,578,674	734,061	1,445,831	6,021,695	7,598,367	2,306,873	6,815,037	6,520,978
Extraordinary item	-	-	-	-	-	-	(6,591,758)	-	-	-
Other financing sources (Transfer In)	-	4,299,624	2,963,422	3,504,587	5,418,156	3,696,045	2,572,024	9,588,612	7,977,407	7,893,696
Other financing sources (Transfer Out)	-	(4,058,624)	(2,812,004)	(3,317,169)	(5,168,156)	(4,234,218)	(2,870,183)	(9,268,201)	(11,416,478)	(9,788,375)
Other financing sources (uses):										
Operating transfers from (to) Enterprise Funds:										
Water	77,500	-	-	-	-	-	-	-	-	-
Stormwater	25,000	-	-	-	-	-	-	-	-	-
Wastewater	72,664	-	-	-	-	-	-	-	-	-
Operating transfers from (to) Internal Service Funds	150,000	-	-	-	-	-	-	-	-	-
Proceeds from sale of equipment	-	6,363	3,380	-	-	-	-	-	-	-
Proceeds of debt issued (refunds)	1,229,298	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,554,462	6,363	3,380	-	-	-	-	-	-	-
Net change in fund balances	\$ 2,896,751	\$ 4,971,309	\$ 3,733,472	\$ 921,479	\$ 1,695,831	\$ 5,483,522	\$ 708,450	\$ 2,627,284	\$ 3,375,966	\$ 4,626,299
Debt service as a percentage of noncapital expenditures	0.038193469	0.029717273	0.025081691	0.027527846	0.027717634	0.027631331	0.014778433	0.022982126	0.02864049	0.028572765

CITY OF SAN BRUNO, CALIFORNIA

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

(In thousands of dollars)

Fiscal Year End	Residential Property (a)	Commercial Property (a)	Industrial Property (a)	Other Property (a)	Total Secured Property	Total Unsecured Property	Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate (c)
2006	n/a	n/a	n/a	\$ 4,022,810,077	\$ 4,022,810,077	\$ 73,755,204	\$ 4,096,565,281	\$ 4,096,565,281	1.0000
2007	n/a	n/a	n/a	4,595,232,358	4,595,232,358	132,801,940	4,728,034,298	4,728,034,298	1.0000
2008	\$ 4,140,658,055	\$ 786,083,510	\$ 45,850,953	18,220,809	4,990,813,327	136,882,557	5,127,695,884	5,127,695,884	1.0000
2009	4,258,133,280	955,388,864	48,730,397	67,546,506	5,329,799,047	151,460,560	5,481,259,607	5,481,259,607	1.0000
2010	3,975,052,139	926,069,917	50,710,726	89,708,468	5,041,541,250	158,207,291	5,199,748,541	5,199,748,541	1.0000
2011	3,983,932,708	873,929,269	50,198,770	63,452,695	4,971,513,442	149,424,723	5,120,938,165	5,120,938,165	1.0000
2012	4,070,537,434	891,421,347	51,219,994	58,079,327	5,071,258,102	147,540,815	5,218,798,917	5,218,798,917	1.0000
2013	4,174,398,109	866,171,661	54,657,760	37,746,851	5,132,974,381	188,968,984	5,321,943,365	5,321,943,365	1.0000
2014	4,364,835,817	945,331,190	55,708,482	61,925,552	5,427,801,041	191,476,425	5,619,277,466	5,619,277,466	1.0000
2015	4,706,427,833	1,030,026,318	57,511,431	63,017,548	5,856,983,130	186,926,223	6,043,909,353	6,043,909,353	1.0000

Source: California Municipal Statistics and County Assessor Data

(a) Other property assessed value included residential, commercial and industrial property before 2008.

(b) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(c) California Cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to ALL the taxing entities within a tax rate area.

CITY OF SAN BRUNO, CALIFORNIA

DIRECT AND OVERLAPPING TAX RATES

LAST TEN FISCAL YEARS

(Rate per \$100 of assessed value)

	Direct Rates		Overlapping Rates		Total Tax Rate
	Basic Rate	Total Direct	School Districts	Special Districts	
FY 05-06	1.0000	1.0000	0.0574	0.0000	1.0574
FY 06-07	1.0000	1.0000	0.0664	0.0000	1.0664
FY 07-08	1.0000	1.0000	0.0596	0.0000	1.0596
FY 08-09	1.0000	1.0000	0.0710	0.0000	1.0710
FY 09-10	1.0000	1.0000	0.0804	0.0000	1.0804
FY 10-11	1.0000	1.0000	0.0834	0.0000	1.0834
FY 11-12	1.0000	1.0000	0.0909	0.0000	1.0909
FY 12-13	1.0000	1.0000	0.0905	0.0000	1.0905
FY 13-14	1.0000	1.0000	0.0864	0.0000	1.0864
FY 14-15	1.0000	1.0000	0.0983	0.0000	1.0983

CITY OF SAN BRUNO, CALIFORNIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

		2014-2015					2005-2006		
Property Owner	Primary Land Use	Assessed Valuation	Rank	% of Total	Property Owner	Primary Land Use	Valuation (in thousands of dollars)	Rank	% of Total
The Gap Inc.	Office Building	\$ 160,343,499	1	2.74%	The Gap Inc.	Office Building	\$ 117,899	1	0.00%
ASN Tanforan Crossing I & II LLC	Apartments	140,111,496	2	2.39%	Bayhill Four Associates	Office Building	77,277	2	0.00%
Bayhill Four Associates	Office Building	134,431,311	3	2.30%	The Crossing Apts Asso.LLC	Apartments	47,477	3	0.00%
Tanforan Park Shopping Center LLC	Shopping Center	125,223,760	4	2.14%	Aimco San Bruno Apts Partner	Apartments	45,657	4	0.00%
San Bruno III Financing LP	Apartments	86,390,440	5	1.47%	Landmark Towne Center LLC	Shopping Center	37,665	5	0.00%
Welch Family Partnership	Industrial and Commercial	59,061,703	6	1.01%	Crystal Springs Associates	Apartments	29,218	6	0.00%
Behringer Harvard Acapella LP	Apartments	57,265,401	7	0.98%	Welch Family Partnership	Office Building	24,609	7	0.00%
CREA-San Bruno LLC	Office Building	52,700,000	8	0.90%	JC Penny Co. Inc.	Shopping Center	23,637	8	0.00%
San Bruno Town Center Partnerhip	Shopping Center	42,828,910	9	0.73%	Lowes HIW Inc. Lessee	Shopping Center	23,419	9	0.00%
Aimco San Bruno Apartments Partners LP	Apartments	36,089,849	10	0.62%	Sun Life Assurance Co.of Canada	Financial Service	21,850	10	0.00%
Subtotal		\$ 894,446,369		15.28%			\$ 448,708		0.00%

(1) 2014-15 Local Secured Assessed Valuation: 5,856,983,130

(2) 2005-06 Local Secured Assessed Valuation 4,022,810,077

CITY OF SAN BRUNO, CALIFORNIA

SCHEDULE OF TOP 40 RETAIL BUSINESSES FOR THE YEAR ENDED JUNE 30, 2015

(Listed in alphabetical order)

Name	Address
All Shores	135 El Camino Real
Allegro Credit	1111 Bayhill Dr Ste 450
Alpha Flight Guru	881 Sneath Ln
Associated Trucking Inc.	1065 San Mateo Ave.
Barthco International Inc.	1162 Cherry Ave.
Best Buy Store #1896	1250 El Camino Real #111
CBR Systems Inc.	1200 Bayhill Dr Fl 3
Century Theaters Inc.#494	1188 El Camino Rea
CVS/Pharmacy #9807	10 Bayhill Shopping Ctr.
Davita Rx, LLC#1685	1178 Cherry Ave.
DevicesCape Software, Inc.	1250 Bayhill Dr. Ste 201
Hudson Pacific Properties LP	999-1001 Bayhill Dr.
J.C. Penney Corp. Inc.	1122 El Camino Real
Lohika Systems Inc.	1001 Bayhill Dr Ste 108
Lowe's HIW, Inc.#1019	1340 El Camino Real
Lucky #748	1322 El Camino Real
Lunardi's Market	2801 San Bruno Ave.W
Marshall's #492	1268 El Camino Real
Melody Toyota	750 El Camino Real
Melody Toyota	222 San Bruno Ave. E
Mollie Stone's Market	851 Cherry Ave. Ste 22
Nomis Solutions Inc.	1111 Bayhill Dr Ste 230
Provident Funding Associates LP	851 Traeger Ave Ste 100
PT Gaming LLC	659 Huntington Ave.
Qumu, Inc.	1100 Grundy Ln Ste 110
Sam's Club.com/Walmart Stores Inc.	950 Elm Ave.
San Bruno Kwik Serv	2101 San Bruno Ave. W
San Bruno Shell-Gas Station	798 El Camino Real
Sears Roebuck & Co. #1478	1178 El Camino Real
Shelter Creek Condo Owner Association	701 Shelter Creek Ln
Target Store T1054	1150 El Camino Real
The Permenente Medical Group	901 El Camino Real
The Permenente Medical Group Tax Dept.	801 Traeger Ave.
Vantagepoint Capital Partners	1001 Bayhill Dr Ste 300
Victory Honda of San Bruno	345 El Camino Real
Vince's Shell Fish Co. Inc.	1063 Montgomery Ave.
Walgreens #2939	333 El Camino Real
WalMart.Com USA LLC	850 Cherry Ave.
You Tube Inc.	901 Cherry Ave.
Zenrin USA Inc.	851 Traeger Ave Ste 210

CITY OF SAN BRUNO, CALIFORNIA

PROPERTY TAX LEVIES AND COLLECTION FOR THE LAST TEN YEARS

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 3,983,245	\$ 3,983,245	100%	\$ -	\$ 3,983,245	100%
2007	4,365,665	4,365,665	100%	-	4,365,665	100%
2008	4,987,275	4,987,275	100%	-	4,987,275	100%
2009	4,848,334	4,848,334	100%	-	4,848,334	100%
2010	4,668,992	4,668,992	100%	-	4,668,992	100%
2011	4,596,877	4,596,877	100%	-	4,596,877	100%
2012	4,594,121	4,594,121	100%	-	4,594,121	100%
2013	4,821,711	4,821,711	100%	-	4,821,711	100%
2014	5,057,412	5,057,412	100%	-	5,057,412	100%
2015	5,477,246	5,477,246	100%	-	5,477,246	100%

CITY OF SAN BRUNO, CALIFORNIA

RATIOS OF OUTSTANDING DEBT BY TYPE FOR THE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Government Activities		Business-type Activities				Total Primary Government	Fiduciary Funds		Population	Debt per Capita	Debt As a Percent of Personal Income
	Capital Lease	Pension Obligation Bonds	Wastewater Certificates of Participation	Wastewater Revenue Refunding Bond	Cable TV Capital Lease Obligation	City of South Sewer Plant Agreement		Certificates of Participation				
2006	\$ 1,959,633	\$ -	\$ 9,275,000	\$ -	\$ -	\$ 9,404,289	\$ 20,638,922	\$ 8,955,000		39,986	\$ 505	1.5%
2007	1,669,679	-	9,085,000	-	-	15,734,710	26,489,389	8,765,000		40,017	488	1.5%
2008	1,365,965	-	8,890,000	-	-	14,896,375	25,152,340	8,565,000		43,286	435	1.3%
2009	1,047,841	-	8,685,000	-	-	14,035,887	23,768,728	8,360,000		43,798	413	1.2%
2010	714,622	-	8,475,000	-	1,471,489	13,152,660	23,813,771	8,145,000		44,294	391	1.1%
2011	365,592	-	8,260,000	-	1,219,296	12,246,088	22,090,976	7,920,000		41,842	395	1.2%
2012	240,306	-	8,035,000	-	874,252	11,315,552	20,465,110	7,680,000		42,451	367	1.4%
2013	208,898	12,546,749	7,800,000	-	467,213	10,360,416	31,383,276	7,430,000		42,828	659	2.6%
2014	176,562	11,791,267	-	7,294,634	36,946	9,380,027	28,679,436	7,170,000		42,355	677	1.9%
2015	143,273	11,025,785	-	6,986,758	-	8,571,181	26,726,997	6,895,000		44,409	602	1.7%

CITY OF SAN BRUNO, CALIFORNIA

OVERLAPPING DEBT JUNE 30, 2015

2014-15 Assessed Valuation:	\$ 6,043,909,353
Redevelopment Incremental Valuation:	1,104,197,512
Adjusted Assessed Valuation:	<u>\$ 4,939,711,841</u>

Overlapping Tax and Assessment Debt:	Net Debt		Debt
	Outstanding	% Applicable ⁽¹⁾	
San Mateo Community College District	\$ 664,859,994	3.648%	\$ 24,254,093
South San Francisco Unified School District	186,096,874	1.53	2,847,282
San Mateo Union High School District	557,523,058	9.988	55,685,403
San Bruno Park School District	11,219,310	88.793	9,961,962
Millbrae School District Maintenance Assessment District	57,959,527	3.049	<u>1,767,186</u>
Total overlapping tax and assessment debt			<u>94,515,926</u>

Ratios to 2014-15 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 1.56%

Direct and Overlapping General Fund Debt:

San Mateo County General Fund Obligations	460,064,816	3.648%	16,783,164
San Mateo County Board of Education Certificates of Participation	10,430,000	3.648	380,486
San Mateo County Flood Control District Certificates of Participation	21,435,000	6.692	1,434,430
South San Francisco Unified School District Certificates of Participation	702,995	1.53	10,756
San Bruno Park School District Lease Revenue Bonds	4,420,000	88.793	3,924,651
City of San Bruno Fire Apparatus Lease	143,273	100	143,273
City of San Bruno Certificates of Participation	6,895,000	100	6,895,000
City of San Bruno Pension Obligation Bonds	11,025,785	100	<u>11,025,785</u>
Total direct and overlapping general fund debt			<u>40,597,545</u>
Total Direct Debt			18,064,058
Total Overlapping Debt			<u>117,049,413</u>
Combined Total Debt ⁽²⁾			<u><u>\$ 135,113,471</u></u>

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$18,064,058) 0.30%

Combined Total Debt 2.24%

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentage were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics & City Financial Statement

CITY OF SAN BRUNO, CALIFORNIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

(Dollars in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 614,485	\$ 709,205	\$ 769,154	\$ 822,189	\$ 779,962	\$ 768,141	\$ 782,820	\$ 798,292	\$ 842,892	\$ 906,586
Total net debt applicable to limit	20,190	19,520	18,821	18,093	17,335	16,546	15,955	27,986	28,679	26,727
Legal debt margin	<u>\$ 574,842</u>	<u>\$ 661,431</u>	<u>\$ 721,606</u>	<u>\$ 773,268</u>	<u>\$ 730,756</u>	<u>\$ 721,031</u>	<u>\$ 766,865</u>	<u>\$ 770,306</u>	<u>\$ 814,213</u>	<u>\$ 879,859</u>
Total net debt applicable to the limit as a percentage of debt limit	3.51%	2.95%	2.61%	2.34%	2.37%	2.29%	2.08%	3.63%	3.52%	3.04%

(1) California Government Code, Section 43605 sets the debt limit at 15% of gross assessed valuation.

CITY OF SAN BRUNO, CALIFORNIA

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Business-type Activities Wastewater Certificates of Participation					
	Sewer Revenues & Transfers	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$ 6,079,454	\$ 4,206,352	\$ 1,873,102	\$ 185,000	\$ 435,165	3.02
2007	6,261,689	5,804,944	456,745	190,000	430,035	0.74
2008	8,413,781	7,063,137	1,350,644	195,000	424,185	2.18
2009	9,061,790	7,275,670	1,786,120	205,000	417,420	2.87
2010	9,566,100	7,231,032	2,335,068	210,000	409,860	3.77
2011	10,128,799	8,716,618	1,412,181	215,000	401,690	2.29
2012	11,294,768	8,043,233	3,251,535	225,000	392,915	5.26
2013	12,231,509	8,543,647	3,687,862	235,000	383,515	5.96
2014	16,621,276	8,911,235	7,710,041	7,800,000	378,493	0.94
2013 Wastewater Revenue Refunding Bonds						
2015	15,342,296	9,769,887	5,572,409	290,000	285,188	9.69

* In Fiscal Year 2013-14, the City authorized the sale of Wastewater Revenue Refunding Bonds to refinance the outstanding 2002 installment payment obligations.

Source: City financial records

CITY OF SAN BRUNO, CALIFORNIA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Population(1)	Total Personal Income(2)	Per Capita Personal Income(2)	Median Age(3)	San Mateo County		
					**School Enrollment	County Unemployment Rate(4)	City Unemployment Rate(4)
2006	39,986	1,321,537,300	33,050	36.3	3,857	3.8%	N/A
2007	40,017	1,322,721,918	33,054	36.7	3,793	3.9%	N/A
2008	43,286	1,430,602,300	33,050	39.0	3,796	4.8%	N/A
2009	43,798	1,490,883,920	34,040	38.3	3,805	8.9%	N/A
2010	44,294	1,537,533,328	34,712	38.8	3,789	9.2%	N/A
2011	41,842	1,384,677,306	33,093	39.1	3,697	8.7%	N/A
2012	42,451	1,447,664,002	34,102	37.3	3,747	7.1%	N/A
2013	42,828	1,516,154,028	35,401	38.8	3,790	6.7%	5.8%
2014	42,355	1,521,349,245	35,919	38.7	3,888	5.4%	4.7%
2015	44,409	1,609,096,610	36,234	38.5	3,900	3.2%	3.1%

2014-2015 Source: 2011-12 and prior, previously published CAFR Report
MuniServices, LLC

- 1.) Population Projections are provided by the State Department of Finance Projections.
 - 2.) Personal income and per capita personal income is provided by U.S.Census, American Comm.Survey 3-year Estimates and is adjusted for inflation
 - 3.) Median Age reflects the U.S. Census data estimation table
 - **School Enrollment reflects the total number of students enrolled in Caupuchino High & San Bruno Park
 - 4.) Unemployment Rates are provided by the EDD, Labor Market Information Division
- San Mateo County
N/A: Data Not Available

CITY OF SAN BRUNO, CALIFORNIA

PRINCIPAL EMPLOYERS CURRENT YEAR AND LAST YEAR

Employer	2014-15			2013-14		
	Employees	Rank	Percentage of Total Employment (%)	Employees	Rank	Percentage of Total Employment (%)
You Tube, Inc.	1,329	1	5.03%	800	1	3.38%
Artichoke Joe's Casino	385	2	1.46%	374	2	1.58%
Lash Group, Inc.	300	3	1.14%	300	3	1.27%
Target Store	249	4	0.94%	260	4	1.10%
San Bruno Park School District	245	5	0.93%	254	5	1.07%
Skyline Colleege	243	6	0.92%	250	6	1.05%
Sears, Roebuck & Co*	229	7	0.87%	240	7	1.01%
City of San Bruno	200	8	0.76%	226	8	0.95%
Lowe's HIW, Inc.	200	9	0.76%	163	9	0.69%
BJ's Restaurant and Brewhouse*	160	10	0.61%	160	10	0.68%
Total Top Employers	3,540		13.42%	3,027		12.78%
Total City Labor (1)	26,400					

Source: 2014-15 MuniServices, LLC

Results based on direct correspondence with city's local businesses.

(1.) Total City Employment provided by EDD Labor Force Data.

*Includes both Full and Part Time Employees

CITY OF SAN BRUNO, CALIFORNIA

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

(Fiscal year ended June 30)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
City Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Legal Services	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
City Manager	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Human Resources	2.00	2.75	2.75	2.75	1.75	1.75	1.75	2.25	2.25	2.25
Finance										
Administration	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.50	5.00	5.00
Revenue Services	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Police	66.00	66.00	63.00	66.00	61.00	61.50	59.00	60.00	61.50	62.50
Fire	36.00	35.00	33.00	33.50	33.50	33.50	32.50	32.75	32.75	33.30
Public Works										
Admin. & Engineering	7.75	8.75	7.75	7.75	7.75	6.75	6.75	6.75	6.70	6.70
Streets Maintenance	5.60	5.60	5.60	5.60	5.10	5.05	5.05	5.05	5.10	5.70
Community Development										
Planning	3.45	3.45	2.60	2.50	2.00	2.00	1.75	3.50	4.50	4.50
Building	6.10	6.10	5.30	5.00	4.00	4.00	4.25	6.50	6.50	7.50
Parks & Recreation Services										
Recreation	4.05	4.20	3.35	4.35	3.85	4.05	4.05	4.00	4.00	4.75
Parks Maintenance	18.75	18.75	15.95	17.00	15.50	14.35	13.35	13.80	13.80	14.30
Senior Services	2.45	2.30	2.15	2.15	2.15	2.25	1.25	3.35	3.35	3.45
Library Services	10.50	10.50	9.50	10.00	9.00	8.75	8.75	7.65	7.65	7.55
Subtotal	184.40	185.40	172.95	178.60	167.60	165.95	160.45	167.10	170.10	174.50
Special Revenues										
Solid Waste	0.30	0.30	0.30	0.30	0.25	0.35	0.35	0.35	0.35	0.35
RDA Operation	2.80	2.75	1.80	3.60	3.60	3.60	3.60	-	-	-
Successor Agency to RDA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.00	-	-
RDA Low/Mod Housing	1.65	1.70	1.25	1.90	1.90	1.90	1.90	-	-	-
Subtotal	4.75	4.75	3.35	5.80	5.75	5.85	5.85	1.35	0.35	0.35
Internal Services										
Central Garage	3.35	3.95	3.85	3.95	3.95	3.35	2.85	2.85	2.35	2.35
Buildings and Facilities	5.75	7.00	5.50	7.00	7.00	6.10	6.10	5.70	5.70	6.45
Technology Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Self-Insurance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	1.00
Subtotal	13.10	14.95	13.35	14.95	14.95	13.45	12.95	12.55	11.55	12.80
Enterprise Funds										
Water Enterprise	15.90	17.90	15.90	16.90	16.90	17.30	17.30	17.30	16.95	17.45
Stormwater Enterprise	2.55	2.95	2.95	2.95	2.95	3.65	3.65	3.65	3.75	4.15
Wastewater Enterprise	14.60	14.60	12.10	14.60	14.10	14.55	15.55	15.55	15.80	16.30
Cable Enterprise	18.50	19.50	19.00	19.50	19.50	20.00	20.00	20.00	20.00	20.00
Subtotal	51.55	54.95	49.95	53.95	53.45	55.50	56.50	56.50	56.50	57.90
Glenview Funds										
Crestmoor (Glenview) Recovery								5.00	4.25	3.70
Subtotal	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.00	4.25	3.70
Total Positions (all funds)	253.80	260.05	239.60	253.30	241.75	240.75	235.75	242.50	242.75	249.25

Source: Adopted City Budget

CITY OF SAN BRUNO, CALIFORNIA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(Fiscal year ended June 30)

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Calls for Service	*	*	*	25,164	23,305	22,275	23,242	24,405	30,131	32,610
Physical arrests	1,331	*	*	1,585	1,371	1,401	1,371	989	1,071	1,224
Parking violations**	9,634	10,273	11,715	11,706	9,242	10,273	11,683	11,559	8,710	8,794
Traffic collisions	3,087	*	*	480	387	452	387	380	369	464
Moving citations	*	*	*	2,215	2,128	2,665	2,128	1,422	2,659	2,144
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered**	3,170	3,294	3,493	3,539	3,517	3,791	3,809	3,916	3,148	3,159
Number of inspection conducted**	650	1,487	1,647	1,428	1,300	1,341	1,381	1,358	1,326	1,375
Public Works										
Street repair (sq. ft.)	*	*	*	*	11,405	8,750	4,304	4,304	4,792	14,697
Potholes repaired	*	*	*	*	1,055	1,055	1,016	2,311	2,670	2,185
Sidewalk repair (sq. ft)	*	*	*	*	4,653	2,478	2,215	896	11,625.40	14,980
Sidewalk curb&gutter repair (ft)	*	*	*	*	481	89	62	85	927	1,397
Community Development:										
Plans checks	*	*	*	*	413	389	384	340	340	527
Permits Issued	*	*	*	*	1,178	1,575	1,375	1,284	1,283	1,339
Parks & recreation:										
Picnic rentals	*	*	*	*	*	766	813	673	934	954
Library:										
Library circulation	*	*	*	*	*	374,496	372,162	388,066	358,362	354,047
Library visits	*	*	*	*	*	239,916	239,649	228,835	248,563	219,343
Water										
New service connections	*	*	*	*	353	320	271	265	442	26
Gallons purchased(millions of gallon:	*	*	*	*	*	584	796	725	600	477

*Data not available

**Calendar year as of October 31

Source: various city department records. City began tracking by function in 2011

CITY OF SAN BRUNO, CALIFORNIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST NINE FISCAL YEARS

(Fiscal year ended June 30)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015
Engineering /Public Work									
Pavement	(720,575)	(698,246)	(698,027)	(696,010)	(732,678)	(934,435)	(946,351)	(966,874)	(1,016,316)
Traffic Signal	17								
Traffic Signal	(42,547)	(42,218)	(43,404)	(54,334)	(54,334)	(53,676)	(60,318)	(71,803)	(71,803)
Streetlights	1,448								
Streetlights	(76,300)	(241,541)	(241,541)	(241,541)	(241,542)	(100,642)	-	-	-
Housing & Redevelopment									
Roadway in centerline miles	145								
Sidewalk	(411,070)	(402,009)	(415,587)	(415,488)	(423,538)	(423,538)	(422,886)	(453,714)	(468,913)
Roadway in centerline miles	131								
Curb & Gutter	(120,158)	(117,235)	(117,235)	(117,235)	(117,235)	(117,235)	(117,235)	(117,235)	(117,235)
Finance and Parks									
Park Facilities	24								
Park Facilities	(35,915)	(35,847)	(35,847)	(35,847)	(35,847)	(35,847)	(35,847)	(35,847)	(35,847)
Walkway Paths and Trails Subsystem	2								
Walkway Paths and Trails Subsystem	(20,944)	(20,507)	(20,507)	(20,507)	(20,507)	(20,507)	(20,507)	(20,507)	(20,507)
Buildings	24								
Structures	(389,213)	(367,380)	(377,093)	(386,312)	(394,902)	(394,682)	(395,536)	(437,055)	(385,051)

Source: City records and Infrastructure Valuations performed by AMS Consulting, LLC

Note(s): Amounts are additions (reductions) only to show the reader valuation adjustments by program associated with the department.

N/A = Not applicable, first year of valuation.